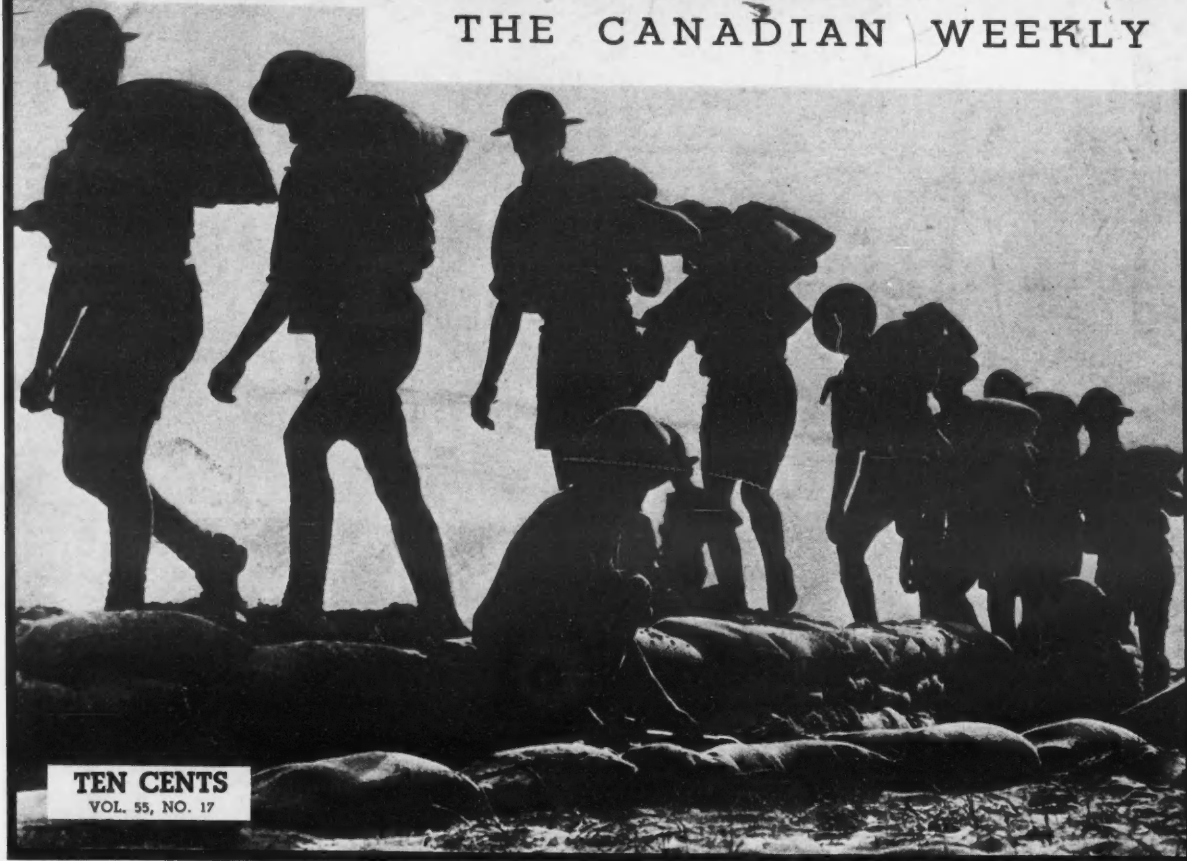


Will Russia Starve To Aid Germany?

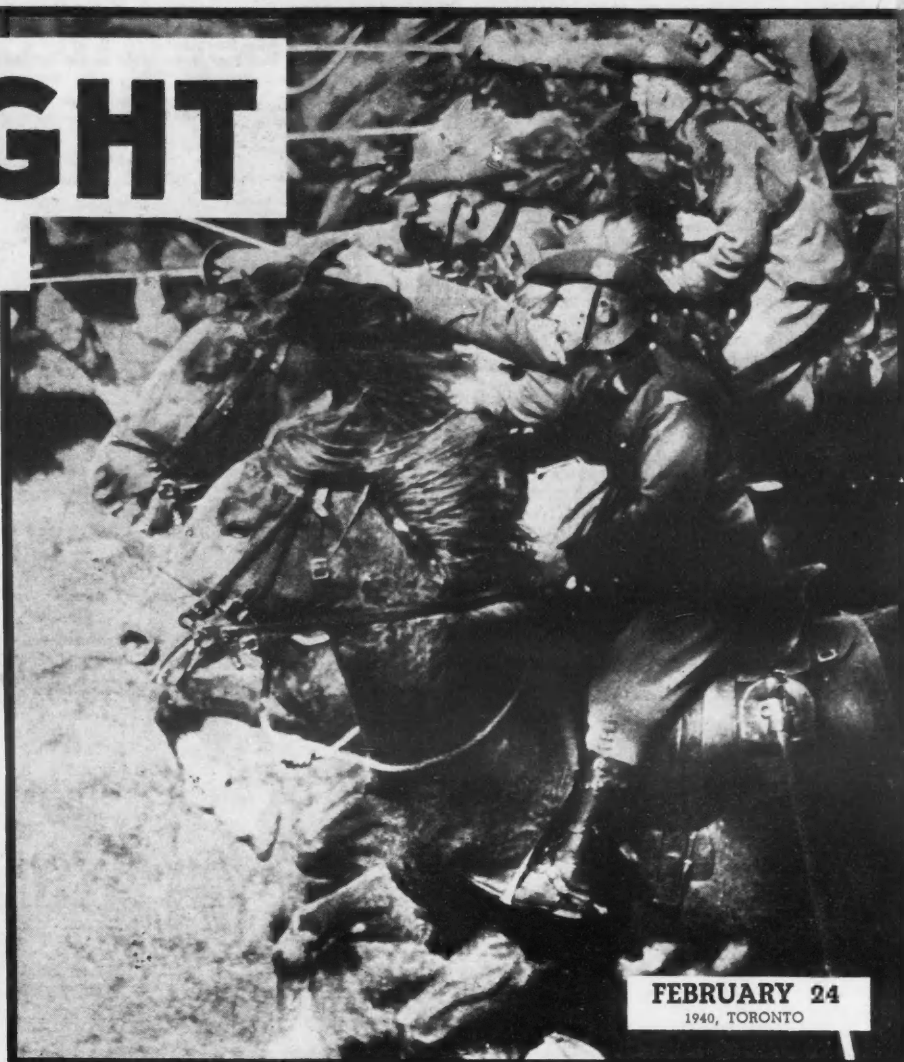
By WILLSON WOODSIDE
SEE PAGE FOUR

SATURDAY NIGHT

THE CANADIAN WEEKLY



TEN CENTS
VOL. 55, NO. 17



FEBRUARY 24
1940, TORONTO

THE Norwegians appear to have felt that if there were prisoners on board the *Altmark* it was up to the British and not to themselves to find them. The British found them, and the Norwegians will obviously not go to war with the British for finding them in Norwegian waters, where the *Altmark* had no business to bring them. The Germans in broadcasting the affair to their own people are significantly refraining from mentioning that there were any prisoners at all, which is the whole and sufficient basis of the British case, and without which the British action would certainly have been contrary to international law. The Germans of course have put themselves beyond the pale of international law, and Great Britain does not have to bother much about her actions so far as they affect Germany alone; but it is vital that none of the Allies should behave incorrectly towards a neutral country. The British action towards Norway was not only correct but highly considerate; it relieved Norway of the painful necessity of taking positive action about a gross breach of her neutrality by Germany, and corrected the results of that breach without Norway being involved at all.

Dr. Manion in the West

DR. MANION has been doing a political tour in Western Canada. Obviously a national party leader has to do a tour in the West when a campaign is on. Even Mr. King, who has been leader for quite a long time and is pretty well known even in the West, is going out there to make a few speeches. Dr. Manion certainly could not help going. And yet it is a dangerous and difficult business, and we are not sure that he has avoided all its dangers or realized all its difficulties.

The trouble is that the Westerners are so enormously hospitable, persuasive and magnetic. If a party leader could go out there and just make his speeches, and never see or talk to any Westerners except across the footlights of the theatre in which he orates, it would be all right. But the trouble is he cannot. He has to dine with Westerners, and lunch with Westerners, and we suspect often to breakfast with Westerners. And when a man has had breakfast with a few Westerners he just cannot help believing that everything that those Westerners want they simply must have. The West is like that. It may be the clear air and the sunshine, or it may be the altitude, or it may be the great open spaces. But whatever it is, when you are in the West and are with Westerners, you know that what Westerners think is right and that what Westerners want is inevitable.

So Dr. Manion has been talking about the rightness and inevitableness of a 40 per cent. increase in the price of wheat. He has even been glancing wistfully at the days when wheat sold for \$3 a bushel in the last war. He has been assuring the Westerners that the miserable price which the British are now paying for Canadian wheat is Great Britain's method of punishing Canada for Mr. King's refusal to allow British airmen to train in this country. He has been proposing to revive the 1935 Wheat Board. He has been promising the farmer 1c per bushel per month for wheat storage, apparently regardless of whether wheat goes up or down while it is stored.

We are not a bit surprised at all this. The West is like that. It may even have that effect on Mr. King when he gets there, although he is usually a little more cautious about definite commitments. But what Dr. Manion does not seem to realize is that all this is very ill-calculated to concentrate public attention upon what he claims to be the one issue of the campaign, namely that the King Government must be thrown out because it is not doing all that Canada could do to win the war.

Famous Half-Breeds

A FEW weeks ago we recorded our opinion, apropos of a review of Lovat Dickson's book on Grey Owl, that the word Half-Breed is not regarded in Canada as a term of insult. We are glad to notice

that our opinion is endorsed by so competent an authority as Mr. Frederick Niven, of Nelson, B.C., who is a valued occasional contributor to these columns and one of the best informed literary men working in the West of Canada. "Mr. Niven writes to the *Sunday Times*, in which the review appeared, to call to mind the fact that when the half-breeds of Qu'Appelle in 1815 served a notice on the Red River settlers, they signed themselves 'Chiefs of the Half-Breeds—Cuthbert Grant, Bostonais Pangman, William Shaw, Bonhomme Monteur.'" He says that he has met many half-breeds in Canada who are proud to acknowledge their mixed strain of blood. And he concludes by quoting one of the most famous part-Indian citizens of the United States, the late Will Rogers, who when told by a superior New Englander that "My ancestors came over in the *Mayflower*," promptly responded, "My ancestors met it."

Unworkable Censorship

THE present arrangement for the censorship of political speeches in the Dominion campaign—at least it is the present arrangement at the moment of writing though it has been changed three or four times during the last ten days and may be changed again before these lines are read—is that station managers are held responsible for everything that is said through their microphones. This simply will not do. It is just about the same thing as the Padlock Law in Quebec, which makes the owner of a hall responsible for anything that may be said on his premises.

The managers of radio stations are not public officials; they are men engaged in a business which might be most detrimentally affected if they permitted anything to be said which happened to incur the disapproval of the official censor. In consequence they are inevitably impelled to err on the side of over-carefulness, and to insist on cutting out anything which they think might involve the slightest risk.

From Edmonton comes the report that a C.C.F. speaker was required to delete from his manuscript all reference to the fact that in 1914 Canadian troops were sent to England with Ross rifles and with boots whose soles were totally unsuited to the European climate. Another one was refused permission to make any reference to the fact that Mr.

King's dissolution of Parliament made it impossible for members to secure answers to a large number of questions about the conduct of the war. If things like this are going to be kept off the air, it would be far better that there should be no radio discussion of politics whatever, in order that all parties might stand on a fair footing.

We do not suggest for a moment that a responsible Government censor would have acted in this idiotic manner, but on the other hand we are not at all inclined to blame the station manager for his decision. His responsibility is neither to the Government nor to the censors nor to the public; it is to the owners of his station, and if he is to be held responsible for what is said over it, his first duty is to ensure that nothing shall be said that might possibly cause the station any trouble. The sole legitimate purpose of the censorship is to prevent the giving of information, aid or comfort to the enemy. The decision as to what is permissible under this criterion should be in the hands of a responsible official of Government—or else, and this we think perfectly feasible, there should be no attempt at censorship in advance, and speakers should be left to use their own judgment as to what is permissible under the Defence Regulations. The chances of Germany getting any more benefit out of a campaign speech than it has already got from some of the most patriotic but not wisest of our authorized broadcasters are small indeed.

The Hepburn Party

AS WE go to press at the middle of the week there are still two days left of the sittings of the Ontario Legislature, and it seems to be the general supposition, and a very reasonable one, that Mr. Hepburn will not take any steps to convert what was once the provincial Liberal party into the provincial Hepburn party until the Legislature has adjourned. It is still possible that something may have exploded before these lines are read, but in any event it is quite certain that something will explode shortly after. The generally expected form of the explosion is the dismissal from the Cabinet of those ministers who have participated in the campaign of the federal Liberal candidates in their various ridings.

It is fairly evident that nothing less than that can effectually re-establish Mr. Hepburn's dictatorship over the party. Such a purge is entirely possible. There are still several members of the Cabinet who have not dared, and will not dare, to defy the Premier's wishes in federal matters. As regards the back-bench membership, there are probably not half-a-dozen men who would maintain their loyalty to the federal party against Mr. Hepburn's wishes, in the absence of anybody who has any reasonable prospect of leading a well-organized revolt against Mr. Hepburn.

If there was ever a chance of a member of the present Cabinet leading an effective revolt against Mr. Hepburn on this issue, it was thrown away on the day when every member of the Cabinet voted for the resolution against the King Government. If on that momentous occasion any one of the three or four able members of the Cabinet had refused to obey the Premier's extraordinary order, he might and almost certainly would have qualified as a person of sufficient courage and consistency to take the leadership. In that event, considering the extent to which provincial members are indebted to federal members and the federal organization for support in their campaigns, it is entirely possible that the Hepburn dictatorship would have cracked within twenty-four hours. But the ministers who voted for Mr. Hepburn's resolution and have since turned out in support of federal candidates have simply made themselves ridiculous, and a man who has just made himself ridiculous cannot wrest the leadership from an established leader upon the very issue over which he has made himself ridiculous.

THE FRONT PAGE

THE PICTURES

"THE ANZACS LAND IN EGYPT." This war, they say, is not like the last war, but in this instance history has repeated itself. For once again the land of the Pharaohs shakes beneath the thudding boots of the lean, slouch-hatted warriors from "Down-Under", the galloping hooves of dashing, reckless cavalry. Their arrival increases speculation as to the purpose of the tremendous concentration of Allied troops in the Near East. Our pictures show, left, Anzacs fortifying a trench during manoeuvres; right, cavalry going into the charge: "Out swords and at 'em!"

ship over the party. Such a purge is entirely possible. There are still several members of the Cabinet who have not dared, and will not dare, to defy the Premier's wishes in federal matters. As regards the back-bench membership, there are probably not half-a-dozen men who would maintain their loyalty to the federal party against Mr. Hepburn's wishes, in the absence of anybody who has any reasonable prospect of leading a well-organized revolt against Mr. Hepburn.

If there was ever a chance of a member of the present Cabinet leading an effective revolt against Mr. Hepburn on this issue, it was thrown away on the day when every member of the Cabinet voted for the resolution against the King Government. If on that momentous occasion any one of the three or four able members of the Cabinet had refused to obey the Premier's extraordinary order, he might and almost certainly would have qualified as a person of sufficient courage and consistency to take the leadership. In that event, considering the extent to which provincial members are indebted to federal members and the federal organization for support in their campaigns, it is entirely possible that the Hepburn dictatorship would have cracked within twenty-four hours. But the ministers who voted for Mr. Hepburn's resolution and have since turned out in support of federal candidates have simply made themselves ridiculous, and a man who has just made himself ridiculous cannot wrest the leadership from an established leader upon the very issue over which he has made himself ridiculous.

Community Architecture

THE death of Mr. Cecil King, one of the ablest ecclesiastical architects in Canada, brings to mind the fact that some years ago he was the chief figure in an incident which affords a pleasing proof of the progress of civilization in this Dominion. He was the architect of the well-designed and successful building in the north end of Toronto occupied by the Anglican parish of Christ Church. When the congregation of Yorkminster Baptist Church decided to build on the opposite corner, Mr. King was called in by the building committee, headed by the Rev. W. A. Cameron, and informed that it had been decided not only to give him the task of designing the new Baptist edifice, but also to ask him to design it in such a way that it would definitely harmonize with the building already standing on the other side of the street. The result is not only one of the most satisfactory architectural groupings that can be found anywhere on the Continent, but is a concrete evidence of the rise of an entirely new spirit among those who control the erection of monumental buildings in this country. A generation ago the idea that harmony with its architectural surroundings was an object of the first importance to be aimed at in designing a new building would never have occurred to any building committee. Indeed it is more than probable that if such a committee found itself building a church opposite another church already in existence, their first instruction to the architect would have been to the general effect of "Go ahead and knock their eye out."

THE PASSING SHOW

BY HAL FRANK

WHAT the world is not looking forward to, of course, is a hurly-burly spring.

Can civilization be patched up? asks an editorial writer. Dunno, right now it seems pretty much the worse for war.

Confucius say he not say.

And you will know it is Utopia, too, because the only ship scuttled will be the censorship.

Great Britain claims that neutral officials did not examine the *Altmark*. Ah, those Igghorwegians.

He: "Darling, you're a half an hour late."
She: "I know; I wanted to be early for a change."

Those Ontario cabinet ministers who voted with Mr. Hepburn against Mr. King and are now supporting Mr. King in the Federal election have ample support for their action in the international sphere. They are merely maintaining their neutrality.

After War What?—Headline.
After what war?

Nazi Germany says ominously that she will punish Great Britain for the *Altmark* incident. Does that mean she is going to declare war?

Yes, and the chaos of living is increasing, too.

The Germans are a macabre people. Their idea of living room is one cluttered up with corpses.

We suspect that Germany's new attack on British and neutral shipping is an evidence of her desperation. She's got that sinking feeling.

A number of people have been reported missing in Toronto during the past several weeks but they have all been found. The astute police simply had them paged at the local performance of "Gone With the Wind."

Some mystery attaches to the purpose of Sumner Welles' visit to Europe but it is probable he has gone over just to survey the delay of the land.

Esther says the thing she likes most about knitting is that it takes her mind off what she is talking about.

These Are the Essentials for an Enduring World Peace

BY WARWICK CHIPMAN

THE war in which we are now engaged is the culmination of a series of betrayals by the members of a civilization that laboriously built itself on the ruins of the Graeco-Roman world. Germany, the arch rebel against that civilization, and against all the conditions of its survival, is the concrete, conscious, final expression of those lesser schisms and sins of separatism, of national and economic self-sufficiency, of national and economic barriers between the member states, of unrestricted sovereignty, of "sacro egoismo," of the refusal of the parts to make sacrifices for the whole, or to bind themselves effectively for the sake of the whole.

The inevitable end of all these is aggression and civil war; and our part in this war, if it has any meaning or any usefulness, is our repudiation of all these fatal betrayals, our admission, we must hope and trust not too late, that isolation and neutrality are part of these same betrayals, and our resolve that not only must the rebel be put down, not only must his victims be restored, but this civilization must so reassert itself that such a rebellion cannot recur.

If this is our resolve then we must ask ourselves how that reassertion is to take shape. And it seems to me that we may not delay in answering that question. Obviously we cannot answer it in detail. We cannot now formulate a peace treaty. But we can, and I suggest we must, know what we hold to be the essentials of peace; and must state them at the earliest possible moment so that not only we but all the world may know.

Essentials of Peace

What then are the defenders of this civilization to declare as the essentials of its peace? I speak of course of the essentials that may be declared in political terms. I am not speaking now of that fundamental essential lying beneath them all, the spirit of community which they can foster and without which they have no purpose and there is no civilization worth defending.

Surely the minimum political essentials of peace may be stated in these terms:

Firstly, between the peaceful there must be economic peace. There must be equal freedom of economic intercourse, of commerce, of access to markets and raw materials between all peace-behaving nations. Such intercourse is itself their peace-behaving. The denial of it is the denial of the common interest and is itself a form of civil war, breeding the sense of separateness, the spirit of the barrier, the defensive response that under certain conditions may turn the barrier into a fortification, the ambition to be self-sufficient behind the fortification, the feeling that the fortification is a cage the area within which must be extended at the expense of one's neighbor's living space. How easy, how fatal, the next step to aggressive war!

Restoration of Trade

The implications of this were undoubtedly in Mr. Chamberlain's mind when he said last month:

"One of our foremost aims will be the restoration of international trade, which seems to us to present the best opportunity for restoring in turn the standard of living and the consuming power of nations. That is the policy that we have in mind when the time comes to turn once more from war to peace."

But this statement is the statement of only one Prime Minister. It is not the statement of a common allied aim. We should be saying now that our united resolve is that peace when we recover it will be economic as well as political peace, and will be so obviously good and desirable and fruitful for all that it will not be jeopardized, and that the prizes it can give increasingly as it goes on will not be forfeited by the heresy and the folly of the separate interest, creating only evils for itself, and begetting a progressive interaction of evils and evils which, in some, will end in the choice of war as their active instrument.

Twenty years ago in the Covenant of the League of Nations we went some distance forward in the common statement of such an aim when we undertook, in Article 23f, "to secure and maintain freedom of communications and equitable treatment for the commerce of all members of the League;" but we failed lamentably to act upon it or to enlarge it.

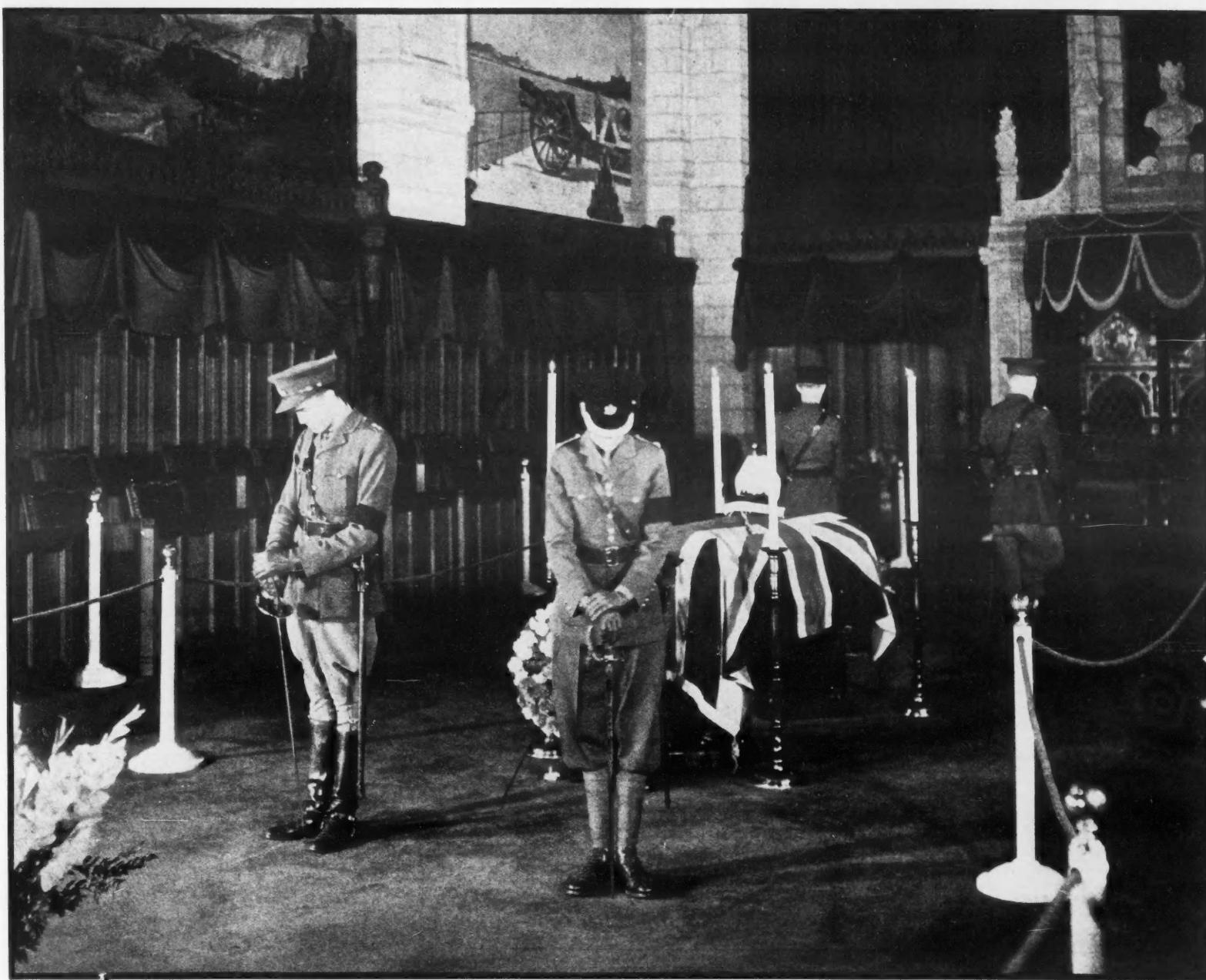
The Means of Justice

The second essential of peace would seem to consist in means for the peaceful settlement or adjudication of disputes between states, and, more difficult, in provision for the reviewing of treaties no longer applicable and international conditions whose continuance might endanger peace.

The former is already in being to such an extent that we can read in our newspapers of the last day of January that Great Britain has advised the Guatemalan Government of her willingness to submit to the Permanent Court of International Justice at the Hague Guatemala's territorial claim in respect of British Honduras. The need for the latter was agreed upon in Article 19 of the Covenant, and the Assembly was given all necessary power to act as cases arose. But we never worked out the method by which the review could take place, or the conditions that would govern it, with the result that this means to protect the peace was not used. Obviously there are many difficulties in the way of satisfactory rules for application and decision.



FIRST CANADIAN SQUADRON. Squadron Leader W. D. Van Vliet, O. C. No. 110 (Toronto) Army Co-operation Squadron, R.C.A.F., is examining the ensign which he received from Hon. Norman Rogers, left, Minister of National Defence. In the center is Prime Minister Mackenzie King.



CANADA'S GOVERNOR GENERAL LYING IN STATE. The body of the late Lord Tweedsmuir, guarded by officers of the Governor General's Foot Guards and the 4th Princess Louise Dragoon Guards,—the Household Regiments,—as it lay in state in the Senate Chamber of the Canadian Parliament Buildings at Ottawa, prior to the state funeral Wednesday, February 14th.

Treaties must not be undone as soon as made. We cannot protect peace by putting a premium upon clamor and propaganda. Obviously on the other hand the possible grievances will be greatly reduced if economic peace can be attained. But we cannot afford to leave those problems unprovided with a peaceful method for their settlement.

Authority is Needed

The third essential is surely this, that there must be power and authority on the side of peace to guard it when again we get it. The precise form in which that power and authority may find practical shape for use in a crisis, the forces it may count upon, the special commitments that may be necessary, whether regional or general, or both where needed, these will have to be worked out, and cannot now be decided; but the overwhelming need for that power and authority and for definite commitments in advance on its behalf, this at least should be recognized.

The obligation that we all undertook in Article 10 of the Covenant to respect and to preserve as against external aggression the territorial integrity and existing political independence of all Members of the League, should be looked upon as the most imperative of obligations. The nations cannot protect themselves from aggression either by their separate strength or by waiting till the aggressor is on the march before they attempt to act together.

And this civilization cannot protect itself from civil war except by collective measures, of the strength and of the application of which there will be no doubt. No thesis that democracy cannot bind itself before and against the event can be allowed to endanger the common interest in security. We cannot save civilization on a doctrine that the meanest city would repudiate.

Form of Organization

And then, as the fourth essential of peace, there must be a body to guard and further all the other essentials. We hear a great deal nowadays of the alternative forms of such a body. It is good to have this discussion, which at least is unanimous on this that there must be a body. But when we examine the various suggestions we should ask, I think, whether they can pass certain basic tests.

Is the contemplated body possible? If it is perfect, but unattainable we must be content with less, hoping to improve the less. On the other hand if it does not demand too much, does it demand too little, so that the bond is of no value? If it does not demand a wider membership than at present it can get, is it content with too local and fixed a membership having regard to the civilization to be defended by the bond? As the numbers increase of those who wish to acknowledge a membership in this civilization and a duty to defend it, is it capable of expanding its range so that the civilization and the body to defend it are finally coextensive?

I confess that I find it somewhat disturbing that so many European spokesmen tend to advance solutions in terms of Europe only. The civilization to which we belong is not neatly divided into continents, and whatever regional arrangements may be advisable they cannot be enough without more, or without the possibility of being linked together or in a larger whole.

Where Will Britain Be?

And what shall we say of the proposal of a European Federation? Is it possible in our time? Is there yet any such foundation for it as there was in the case of the thirteen American Colonies, all having one origin, one history, one ambition?

And if it were possible, is Britain in or is Britain out? If Britain is out, will not the Federation be a German Federation? And, if we have not a repentant Germany, can we contemplate such a result without a qualm?

And if Britain is in, where is the Empire? And what body will carry on the function which it is the glory of this Empire to fulfil until a greater body takes it

over?—the function of interrelating the continents, and of weaving such webs of mutual interest between them that ultimately they will know that they are parts of a greater whole?

And if European Federation is difficult, what of world Federation? That magnificent hope may yet be fulfilled, but can we expect to see the fulfillment in our time? Can we expect the nations to accept now a far greater demand on their sovereignty than that made in the Covenant of the League? Is it not as much as we can do to urge them to return to the Covenant and the loyal observance of that, with such improvements, such definiteness, such sincerity on the part of the members as will make it work?

I so greatly fear that if we let ourselves be captivated by the undoubted appeal of what we cannot attain we

may throw away the great thing we actually achieved twenty years ago, the bond for peace that can be worked if we will to work it. I am convinced of nothing more than this, that the alternative is not between an imperfect League and a perfect Federation, European or world-wide, but between an imperfect but improveable League and utter anarchy.

We have in the League all the essentials of which I have spoken, and far more. If we agree that these are the essentials of enduring peace, and if we really want enduring peace, is there any conceivable reason why we should not say it in this simple form—that our aim is the restoration of the Covenant and the entire Covenant, as a living bond with all that is necessary by amendment or commitment to make it work, and with, at last, an honest will to work it.

Sticking To Silent Guns

METAPHORS are dangerous things. *The New Republic*, concluding an article expressive of its ardent faith in American isolationism, says of the American people that "We have decided that the part of wisdom—for the world's sake as well as ours—is to remain at peace. Let's stick to our silent guns!"

Stick to them by all means, brother. But if you want to ensure their perpetual silence, there is only one thing to do. Spike them! Only then can you have perfect assurance that you and the guns and

the silence and the peace and the wisdom—for the world's sake as well as yours, to be sure—will always stick together. For the whole purpose of a gun lies not in being dedicated to perpetual silence, but in being ready to be fired when needed. A silent gun that is merely awaiting its time to be fired is all right; but a gun that is to be for ever silent is not a gun at all, but something for a museum or a memorial.

And should not people who stick to silent guns be themselves also silent?



FOLLOWING THE STATE FUNERAL SERVICE IN OTTAWA, the body of Lord Tweedsmuir was taken in solemn funeral procession to the station for cremation at Montreal.

Lord Tweedsmuir Greeted An Old Soldier

BY CONSTANCE KERR SISSONS

"I AM never so happy," our kindly Lord Tweedsmuir declared on one occasion, "as when I am among old soldiers—with them I feel entirely at home."

We had an old soldier in the family circle, John Andrew Kerr, of Perth, Ont., a remarkable veteran with a record that could scarcely be matched in Canada today; and one of us, recalling that, on January 24 of this year 1940, our cherished old uncle would enter his 90th year, conceived the idea of bringing his record to the attention of the Governor General.

Accordingly she sent to His Excellency a brief recital of the old soldier's career, showing that John A. Kerr was one of the very few surviving volunteers of the First Red River Expeditionary Force, that he had served out his year at Fort Garry, and after his discharge in 1871 had joined up with the Manitoba Mounted Police—a force that ante-dated the great N.W.M.P. formed in 1873.

She cited the fact that John Kerr had received a third of the governmental reward shared among the three constables who captured Ambrose Lépine in the fall of '73, and that he had acted as guard to Lépine until brought before the court, as well as French-English interpreter during part of the proceedings.

Not wishing to enter into too much detail, she passed over some seasons of buffalo-hunting in the band of Gabriel Dumont, and fur-trade with the Indians, to the summer of 1876, when John Kerr acted as guide to the governmental party which concluded a treaty with the Indians at Forts Carlton and Pitt. Lord Tweedsmuir had been made an Indian Chief at the Diamond Jubilee of this historic event, so it was brought to his notice that John Kerr's name actually appears upon the original document as witness to the pact, and that the Government employed him as amanuensis to make four copies of the treaty for the authorities.

Not another signatory to these treaties was still above ground on January 16, 1940, the date of this letter to Lord Tweedsmuir. The writer of it added that quite possibly John Kerr might not live to complete his 90th year, and closed by inserting her veteran uncle's address.

NOT for one moment did she expect from the busy office of vice-royalty more than a secretarial card of greeting for the old man in Perth. And for herself, she looked for nothing. But she did not know her Lord Tweedsmuir. On January 20 came a message signed by his own hand:

"Many thanks for your letter of 16th January. I have written to Mr. Kerr. He must be one of the most wonderful veterans in Canada. I only wish I had a chance of meeting him personally."

Delight, in anticipation of the old soldier's delight, was suddenly dimmed by news from Perth. John Kerr, in hobbling from one room to another, had reached for a doorknob, missed it, and fallen heavily, fracturing his hip. The fall had occurred on the morning of the 23rd, the day preceding his birthday. Henceforth he was to be kept under opiates, and, when conscious, was in pain too great to permit of his attention to anything else. Birthday cards, telegrams, flowers, messages, went unnoticed. Two days passed, and then a letter arrived in Toronto addressed in John Kerr's hand. It seemed like a voice from the dead! He had written it late on January 22, and it had not been seen there on his study table.

"OPEN your eyes wide, wide," wrote John Kerr. "This morning I received a letter stamped FREE, with 'Government House' printed on it. I said to myself, 'Where does this come from?' When I opened it I found it was a birthday greeting with references to my reminiscences, and my being a link with the past. I looked at the signature at the bottom, could not believe my eyes, but there it was—'Tweedsmuir'."

"Now who could have told him of me, I can't imagine! I'm getting a few copies struck off by my typist, but I think I'll get 3 or 4 copies photographed. Well, we are highly honored."

"He mentioned that he understood I was engaged in writing my reminiscences, which he said would be of interest. Also mentioned my having gone up to Red River at the time of the Riel Rebellion. Said he would have liked to have a talk with me. Altogether a nice letter as you will see when I send you a copy."

"Now I must stop. The little dog is in my lap, and I can't write very well. Good night and God bless you."

"Your Lov'g Uncle John."

FOR some days the question of John Kerr's recovery hung in the balance but, as his strength failed, it was deemed only courteous to acquaint Lord Tweedsmuir of this accident, and of the old man's frustrated plans for an acknowledgment—quoting from the veteran's last letter. Posted on the first day of February, this message reached Ottawa only a few days before the fatal mischance of February 6, that snatched from Canadians their beloved Governor General.

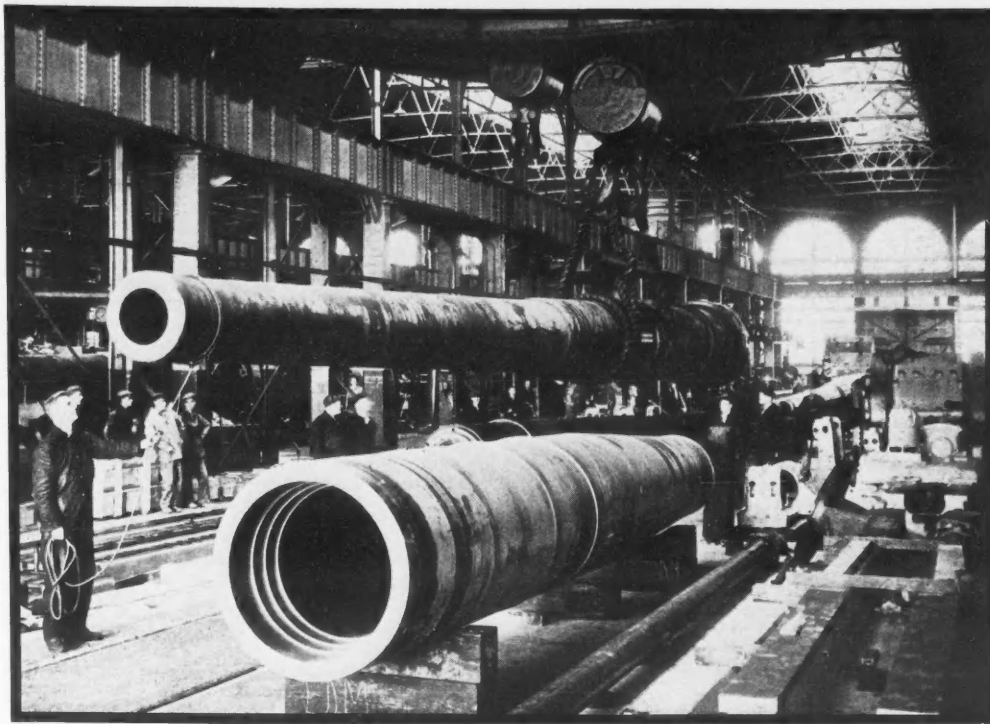
Just before midnight on February 8 John Kerr died, and on arrival at Perth for his funeral we found that, during his last day of active life, he had caused a dozen typed copies and four photographic prints to be made of the prized letter from Lord Tweedsmuir. One of the few single copies is now in our possession. It reads:

"18th January, 1940."

"John Andrew Kerr, Esq., Perth, Ont."

"Dear Mr. Kerr,

"I am venturing to send you a line of birthday greeting, for I understand that on the 24th of this month you attain the age of eighty-nine. You must have the most wonderful record of any man living in Canada, for you are a link with very old history. It is wonderful



THE BRITISH LION SHARPENS ITS CLAWS. Taken with the special permission of the War Office in an unnamed armament factory, this picture shows a naval gun on a hoist. Just a quick peep behind the scenes of Britain's huge re-armament program, it vividly illustrates government efforts to meet the threat of power politics.

to think that you were in the first Riel rebellion. I only wish I could have a talk with you."

"I am delighted to hear that you are preparing your reminiscences, for they ought to make a fascinating book."

WE LAID John Andrew Kerr to rest on the afternoon of February 11, when the blazing white-and-gold-and-blue of a perfect Canadian winter afternoon was at its height. The sun had hardly sunk over the snowy fields of Lanark County when the news came: "Lord Tweedsmuir has passed away."

So, in this simple record is seen one of the last acts of kindness of a man, the sum of whose influence for good is far beyond computation. The hand of fellowship had been offered by one John, native of Perth in Scotland, to another John, born a quarter of a century earlier, in another Perth—a namesake of the old—in Ontario, Canada. And thus, like countless other Canadians, we have reason to revere the memory of John Buchan, Baron Tweedsmuir of Elsfield.

FROM WEEK TO WEEK

Ontario Finds a Principle

BY B. K. SANDWELL

IT WAS announced by the Provincial Treasurer of Ontario last week that in future not more than twelve million dollars per annum of the receipts from the Succession Duties Act will be treated as current revenue, and that all amounts collected in excess of this sum will be treated as capital account and used either for debt reduction or for the payment of capital expenditures. As a statement of principle, this is admirable. The only trouble about it is that it is six years too late so far as Mr. Hepburn is concerned, and forty-seven years too late so far as the Province of Ontario is concerned; and that the amount assigned to current revenue is probably much in excess of anything that the province will be able to collect from this source for many years to come. Nevertheless, it is something to have a good principle recognized, even if it is forty-seven years late and is only recognized in order to be laughed at.

The actual collections under this head for the past ten months, plus the estimated collections for the two months of the fiscal year which are still to run, are nearly 13½ million dollars. But it must be remembered that the Provincial Treasurer is still engaged in the collection of succession duties upon old estates. He stated in his budget speech that there are still upwards of three thousand of these old estates to be investigated, but added that it must be remembered that many of the larger estates have already made settlement, and that 25 million dollars has been collected to date from estates which were closed in former years. But it is only the larger estates which can be expected to make any substantial contribution to the revenue as a result of revision, because it is only in their case that the rate of taxation on items added to the original valuation is sufficiently high to make the matter worth going after. On estates totalling less than \$50,000, for example, the rate is less than 6 per cent. on legacies to a near relative, and it is not among such estates that the Provincial Treasurer is likely to find any substantial donations *inter vivos* to non-relatives, on which, if he could find them, he would be able to charge about 20 per cent. On an estate of a million, on the other hand, any undisclosed items which can be discovered will yield at the rate of about 21 per cent. even if they are to near relatives, and nearly 50 per cent. if they are to persons entirely unrelated to the deceased. The fun that the Provincial Treasurer has been having with the estates of long deceased millionaires has consisted very largely in discovering things which he felt justified in describing as donations *inter vivos*, but which no previous Provincial Treasurer and no court has ever regarded as such, and adding them to the valuation of the estate, with the result of increasing the rate to be paid by every class of recipient.

Avoidance Becomes General

But not only has the Provincial Treasurer very nearly exhausted the resources of this process of revision, but his activities during the last six years have had the effect of drawing the liveliest kind of attention to the necessity for safeguarding oneself, if one has a substantial estate, against all avoidable claims for succession duty when that estate comes to be distributed to one's heirs. A wide-open door for such avoidance was provided by a recent amendment made to the Act by the Hepburn Government itself, which provides that any outright absolute gift made by the deceased more than ten years prior to his death to any near relative shall be excluded from the estate for all duty purposes. It is, of course, impossible to guarantee that one will live for ten years after the making of such a gift, but an insurance policy sufficient to pay the duty in the unfortunate event of one's dying before that term can be secured for a very small premium.

But an even more important effect of the present policy of the Province of Ontario in regard to donations *inter vivos* has been the development of an absolute unwillingness on the part of wealthy persons

to make any such donations for any purpose which might be held by the Provincial Treasurer to be taxable. About the only kind of donations passing outside of the family which can qualify for exemption under the present state of the law are those made for religious, charitable, or educational purposes to be carried out in Ontario. The greatly increased difficulty experienced by all other kinds of good-works societies, and by societies which might or might not be regarded as charitable by a future Provincial Treasurer, in obtaining gifts from wealthy persons is unquestionably due in a very large degree to the prospect that these will be taxed at a very considerable rate, and will be added to the value of the estate at death, thus increasing the rates paid by every kind of inheritor.

Why Run Risk to be Richer?

But an even more important factor in the case is the growing unwillingness of business men to incur the risks inseparable from business enterprise, for the sake of adding to an estate when once it has reached such proportions as to be taxable at the higher rates when it comes to be transmitted at death. A business man who has accumulated an estate of, let us say, \$800,000, and who feels, as he well may, that this is as large a sum as it is either wise or kind to leave to his immediate relatives, is under little inducement to attempt to add to his possessions. If he does add to them, and leaves the proceeds to a non-relative, or to some worthy cause other than an Ontario charity, the gift will be taxed at the rate of about 44 per cent., and the fact that it was made will at the same time increase the rate of taxation paid on all the other legacies. The condition is of course not confined to Ontario, but this province has the rather unenviable distinction of putting a stricter construction on the term "donations *inter vivos*" than any other taxing authority has yet done, and of applying this new construction to estates which were settled and distributed and taxed years ago when a totally different construction was in effect.

Is it any wonder that it is difficult to induce persons who have already accumulated a moderate fortune, to invest any portion of their money in a hazardous enterprise, knowing as they do that if they lose it they will receive no consideration from the tax-gathering authorities, whereas if they make a profit upon it they will be taxed first of all on that profit in its primary form as corporation income (by two governments), second on that same profit as individual income (again by two governments), and finally (by one government this time, but at a most ferocious rate) on whatever they save out of that profit to give away during their lifetime or to bequeath by will? The plain truth is that what governments are now taxing by their Succession Duties Acts is the proceeds of the business enterprises and the business practices of an era that is past and gone—an era when men risked money readily because they expected to keep their winnings if they won, and therefore did not mind facing a chance of losing, an era when business was expanding on every hand, an era when capital values multiplied themselves every ten years, an era when gilt-edged bonds were considered proper investments for widows and orphans but not for red-blooded he-men Canadians.

It may not have been a good era, from the sociological point of view. But that is not the question. It did produce the fortunes that the Succession Duties Act is now taxing; and they are not being produced now on anything like the same scale, and there is very little reason to expect that they will be produced. If the province of Ontario is going to go on getting twelve million dollars out of inheritances every year, it will have to do it by increasing the rate on small estates. The "soak-the-rich" game is drawing to its close. Excessive taxation always dries up its own source.



3 Questions

EVERY WIFE SHOULD ASK HERSELF

1. Has my husband made a will?
2. Has he named an executor that will not die or be absent when needed; that has complete experience and facilities?
3. If not, how can I tell him that he owes it to himself, to me and to his family to make such arrangements?

No wife should hesitate to suggest frankly and openly to her husband that these things should be attended to promptly for his family's sake. Certainly, if anything should happen to him, she could hardly be expected to manage estate affairs expertly during this period of emotional strain and subsequent readjustment.

The Crown Trust Company has brought sound estate management and experienced counsel to many families at the time when they needed them most. We believe that the assurance of such future protection can mean a great deal to your family.

Call or Write for Literature

Crown Trust Company

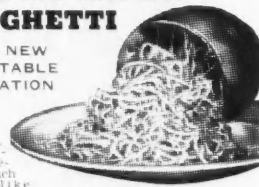
J. Ragnar Johnson, Manager

80 King Street West

Toronto

VEGETABLE SPAGHETTI

THE NEW VEGETABLE SENSATION



A smooth, creamy, white vegetable which grows like squash and measures about 8 inches.

Pick the fruit when mature, cooking it whole in boiling water for 20 minutes, then cut as shown in picture, when you will find a quantity of delicious and spaghetti-like food, which may be seasoned to taste or prepared in other ways. Be sure to plant this excellent new vegetable and order now. Pkt. 10c, 3 pkts. 25c. Postage 5c.

FREE—OUR BIG 1940 SEED AND NURSERY BOOK, BETTER THAN EVER.

DOMINION SEED HOUSE, Georgetown, Ontario



A MODERN BURDEN

Foreign Exchange Control has naturally imposed more work and study on investors. The regulations constitute the latest addition to the labor of managing investments which has steadily increased for more than two decades.

In view of this trend, more investors are availing themselves of this Corporation's Agency service, they retain control of their securities but delegate the day to day cares of management.

Agency service includes reviewing your securities, submitting suggestions, buying and selling as you may direct, collecting and depositing the income to your account and furnishing you with regular statements of securities held and interest collected.

Fees are moderate. We invite your inquiries.

THE
**TORONTO
GENERAL
TRUSTS**
CORPORATION



ST. JOSEPH stands on this magnificent piece of statuary in front of Montreal's famous "Brother André's Shrine". Photo by "Jay".



"Gee! A Nickel Left for Candy"

TOYS or typewriters, lamp bulbs or bathtubs—whenever the cost of an article is lowered through economies in production, more people can buy the article. For example, electric refrigerators have been reduced in price nearly 50% during the ten years since 1929. Radio sets have been reduced more than 50%. Since 1921 the average price of electric lamps has been reduced over 65%.

The same has been true of hundreds of other manufactured articles. Because the scientists, engineers, and workmen of industry have developed hundreds of new

products, have continually improved them, have learned how to make them less and less expensive, millions of people have been able to buy them. And by this process, industry has been able to provide Canadians with one of the highest standards of living in the world.

In this progress, Canadian General Electric, by devising new ways for electricity to speed the wheels of industry, has played an important part in the commercial life of Canada. By continuing these efforts, it is helping today to provide for Canada still MORE GOODS FOR MORE PEOPLE AT LESS COST.

G-E Research Saves the Canadian Public Thousands of Dollars Annually

CANADIAN GENERAL ELECTRIC COMPANY LIMITED

Sydney • Halifax • St. John • Quebec • Sherbrooke • Montreal • Ottawa • Toronto • New Liskeard • Hamilton • Sudbury • London • Windsor • Fort William • Winnipeg • Regina • Saskatoon • Lethbridge • Edmonton • Calgary • Trail • Kelowna • Vancouver • Victoria

THE HITLER WAR

German-Russ Co-operation

BY WILLSON WOODSIDE

GERMAN staff officers, it is said, have been advising the Russians in their recent offensive against the Mannerheim Line, and that is why it has been so much better co-ordinated and more successful. German engineers have taken over the oil fields in Russian Poland and are working to step up their production. The German master highway builder, Fritz Todt, has gone to Russia to see what can be done to doctor Soviet transportation. German military experts are strengthening the fortifications of various Black Sea ports, Odessa, Novorossisk, Batum, and the other oil pipe-line terminus, Tuapse. A new German shipping company, using chartered Greek ships, is operating between the above ports and the mouth of the Danube in Roumania. Newsphotos show activity in constructing transfer ports along the new Russo-German border in Poland, where goods have to be transhipped from the broad gauge Russian railways to the standard gauge of the Reichsbahn. Hitler and Stalin have signed a trade agreement looking towards an exchange of a billion marks (about \$300,000,000) worth of goods a year. Dr. Ley has called on the workers of the world to unite in overthrowing capitalism. And Britain is concentrating a great army in the Near East and sending thousands of volunteers to Finland.

It is all part of the biggest question of the war: how closely can and will Germany and Russia co-operate, in military and economic action? Can Hitler get sufficient supplies from Russia to defeat the blockade and allow him to hold out for years? Can the German military gradually gain the direction of the vast man-power of the Red Army, re-organize it and develop it into a formidable weapon in their hands? The answer seems to be that if any such prospect develops the Allies will declare war on Russia as well, and strike at her as the weakest link in the enemy combination. Their preparations on the Western Front may be defensive, for the present at least, but those in the North and South are not necessarily so. The Near Eastern Army represents a certain insurance against a Russian or German push in the Balkans, on the Caucasus front, or towards the Mesopotamian or Persian oil fields. But it could also mean an Allied drive against Batum and the Baku oil fields. The Allied-Turkish agreement, it is true, stressed Turkey's non-liability for action against the Soviet Union. But the tone of the Turkish press has been changing lately, and the Foreign Minister made the significant statement last week that if the agreement did not require Turkey to act against Russia, neither did it forbid her to do so.

Germans Not Wanted

Similarly any open appearance of German soldiers or equipment with the Russians in Finland would certainly be met, if a way could be found across Scandinavia, by Allied intervention on the Finnish side. As for that, while it may be supposed that Stalin is as eager as Hitler to get this "incident" over before it brings an Allied army to the outskirts of Leningrad, it is quite another thing to imagine that he is ready yet to invite in German armies to help him. That would be to admit that his own armies were no good, and then where would his bargaining position be? He would hardly bring in right at the beginning a German force large enough to quickly decide the affair, and if he started with 10,000 he might end up with half a million, the way wars have of growing. All the communications and supplies in the Western half of his country, as well as his second largest city, would by that time be in German hands. He would have laid himself open to Nazi demands just as much as if he were to call off the war entirely now and confess his military impotence.

There is another reason why only German advisers are on the Karelian front and not German troops and aviation. For Germany to join thus openly in ravaging a Scandinavian nation would be the surest way to throw Norway and Sweden into the arms of the Allies, deprive Germany of their invaluable supplies, notably of iron, and open up the path which is now closed to Allied intervention in force in Finland.

In the meantime the German staff advisers on the Karelian front have to do the best they can with Russian troops, and it is hard to see how these can be kept hammering away for long at the rate they have kept up since the beginning of February. Unless the present drive carries them right through the Mannerheim Line and the Finns simply collapse from their superhuman exertion and yield the country—neither of which I think is likely to happen—the struggle will drag on and the Russians will have to either give up or call for German help. In the latter case the Finnish War will gradually grow during the spring and summer into one of the main campaigns of the war.

The point here is that Russo-German collaboration can not be founded on mutual trust, which doesn't exist, but only on the power relation of the two dictatorships. It is only as Stalin becomes more involved and his position weakened that

Germany is gaining the access to Soviet economic resources which she so desperately wants. It is only as Russia becomes more impoverished and her economic life more disorganized and less able to produce a surplus for Germany that German engineers will get the chance of re-organizing it. Russo-German economic co-operation does not start under favorable conditions, with two going concerns, one teeming with supplies ready to be carted away and the other with a great surplus of machinery to trade for it and organizing talent to facilitate the exchange. It starts with both countries gripped in a supreme crisis. Russian production has during the whole Stalinist period been barely able to keep the Soviet population fed and clothed. It is as heavily weighted as the Nazi economy towards the production of barren military goods. The export "surplus" of 1930-32 notoriously culminated in the famine of 1933, with the death of four to five million of the farm population.

If there had been any surplus of food and materials in recent years the government of the U.S.S.R. would surely have exported it, with world prices rising the way they have been. But Russian export trade has dwindled until last year it was less than Denmark's. Just two weeks before the signing of the Hitler-Stalin pact the most responsible German economic journal, the *Deutsche Volkswirtschaft*, carried a leading article on the subject. It was difficult, it said, to get at the true situation through the impenetrable screen of Soviet propaganda, yet "exaggeration and false statistics were apparent on all sides." Oil production was supposed to have grown steadily during the second Five Year Plan to nearly 30 million tons yearly, yet export had fallen from 6 million tons in 1932 to a bare million in 1938. "Larger production figures were shown in nearly every field, yet there was practically nothing available for export." Notably: a small amount of iron ore, equal to about one per cent of Germany's normal imports; possibly two million tons of oil, or about a fifth of what Germany needs; and a considerable quantity of manganese. It is significant that the economic accord signed between the two countries on September 29th, the full details of which have now been completed, only aimed at its highest goal at an exchange of goods equal to "the greatest previously achieved." This was in 1930, when Russia sent Germany 436 million marks worth of commodities, out of a total of German import of 10,393 million marks. That is, the Russian share was 4.2 per cent. Since then Russo-German trade has fallen to practically nothing. If it could be built up to the billion-mark exchange commonly spoken of in Berlin today, it would replace one-sixth of the German trade cut off by the Allied blockade.

Shortage of Engineers

Even so, these supplies would have to be carried enormous distances to Germany over the appallingly bad Russian transportation system. Undoubtedly a liberal application of German efficiency and German machinery would improve this transport and increase Soviet production. But Germany herself is short of engineers. In a study which I have before me, which I clipped out of the *Deutsche Allgemeine Zeitung* on my last trip to Germany, it is shown that registration in the engineering colleges had fallen so low and the demand was rising so rapidly that the Reich would be short some 42,000 engineers by 1942. As it is, Germany is unable to keep her own industrial plant in good repair. The *Frankfurter Zeitung* said last January that it would take a full year's production of the German machine industry to carry out the necessary replacements.

Nor does the state of the German railways convey the old impression of German efficiency. With many cars and locomotives worn out during the seven feverish Hitler years, they have been unable this winter to transport the oil which is available to them in Roumania or to supply German cities adequately with coal, almost the one thing Germany has in abundance. Passenger trains, now running on



ROTARY 35 YEARS OLD. Richard E. Verner, past president of Chicago Rotary, has been visiting Canada to help in the celebration of Rotary Observance Week which ends today and marks the completion of 35 years since the foundation of the organization. It operates today in 85 countries, but not in Nazi Germany.

severely restricted schedules, have suffered a series of disastrous wrecks. Last year the annual statement of the Reichsbahn, said to have been filled with alarm, was suppressed, and during the year one of the largest loans raised was set aside for railway reconstruction. It is hard to see how Germany can spare enough equipment or personnel to relieve the conditions of the Russian railways.

1918 Situation Again

In sum, it may be said that if Germany could keep her war activity, and hence her consumption, slack, she could probably release a number of technicians and build a certain amount of machinery for Russia. If Russia on her part could get the Finnish War over in a hurry and cared to demobilize a large part of her troops, thus cutting her consumption, she might make available a certain amount of raw material to Germany. These, it must be admitted, are very large "ifs." They assume that events will develop just as the Germans wish that the Allies will be content to merely sit and watch this co-operation come to fruition; to allow, for instance, Russia to become Germany's blockade-breaker, importing oil for her as she is doing today from the United States, without clamping the blockade on her ports too.

Germany's situation vis-à-vis Russia today bears a striking resemblance to that of 1918. Then too she had to have Russian supplies. She had to have them in a hurry, to match those flowing in increasing quantities to the Allies from every quarter of the world. But in spite of her preoccupation elsewhere she found she had to go and fetch them herself. Invited into the Ukraine by a government which needed her support and promised deliveries of grain and meat in return, she was able in addition to lay her hands on the most important Russian iron, coal and oil resources. With what results? The venture tied up half a million men for a year, gave the German authorities endless trouble, and produced very little in return. It would be no different today. This is just another of those arrangements—such as control and transport of Roumanian oil and Swedish iron—which Hitler ought to have, and I believe intended to have, working smoothly before he ever took on Britain and France.

"BACHELOR of war"

In ancient days, "baccalarius" signified a soldier not old or rich enough to lead his retainers into battle with a banner. Today a man does not have to be either old or rich to enjoy the rich, mellow flavour and aroma of the famous Bachelor Cigars with their 100% pure Havana filler at only 10c.

ARE YOUR SAVINGS REALLY SAFE?

If an accident or an illness laid you up for a month or a year, could your "nest egg" stand the strain of medical bills, hospital bills and the hundred-and-one extras that come along at such a time?

Why not pay a few dollars now and be sure that such expenses are paid for you—without touching your savings? You can protect your savings and your income with a low-cost Continental Contract! A Continental Accident and Sickness contract pays hospital bills, medical bills—and also pays you should your income be cut off through your disability. It's a business-like contract you'll be proud to own. Why not call or write "Continental" now—before anything happens?

CONTINENTAL CASUALTY COMPANY

Head Office for Canada: FEDERAL BUILDING, TORONTO, ONT.
Telephone WAverley 1634
Assets exceed \$37,000,000 Claims paid exceed \$100,000,000

PORTAGE LA PRAIRIE, WINNIPEG, REGINA, EDMONTON

The Fifty-Sixth Annual Report of

The PORTAGE LA PRAIRIE Mutual Insurance Company

Balance Sheet as at December 31st, 1939

ASSETS		LIABILITIES	
Real Estate (Head Office Buildings)	\$ 6,000.00	Provision for Net Unpaid Claims	\$ 11,262.94
Bonds and Debentures at Book Value		Reserve of Unearned Premiums (Dominion Government Standard)	148,209.05
(Par Value, \$576,539.69)	\$549,487.87	Reinsurance Premiums held as Reserve	53,701.43
LESS: Amount to reduce to Values approved by Dom. Govt.	40,213.88	Reserve for unlicensed, unsecured Reinsurance	11,701.80
Market value as approved	509,273.94	Taxes due and accrued	6,142.25
Deposits with Trust Companies for Investment	15,000.00	Sundry Accounts	500.00
Cash in Banks	139,360.72	Total Liabilities	\$231,518.07
Interest Accrued on Investments	5,415.83		
Agents' Balances	30,124.83	Reserves for Contingencies	\$ 25,000.00
Assessments Unpaid	19,167.54	Reserve for future fluctuation of Investments	40,000.00
Surrender value of Life Insurance	1,911.91		\$ 65,000.00
OTHER ASSETS			
Autos, Furniture and Fixtures	\$ 2.00		
Agents' Balances prior to October 1st, 1939	1,068.99		
	\$ 1,060.99		
	Not Included		
NET ADMITTED ASSETS	\$726,254.67	SURPLUS	\$429,736.60
		TOTAL	\$726,254.67

Unassessed Portion of Premium Notes, \$657,893.88

CERTIFICATE TO POLICYHOLDERS: We certify that we have audited the books and accounts of the Portage la Prairie Mutual Insurance Company for the year ended 31st December, 1939. We have obtained all the information and explanations required, and after due consideration, have formed an independent opinion as to the financial position of the Company. In our opinion so formed, the Balance Sheet here-with is properly drawn up so as to present a true and correct view of the state of the Company's affairs as at 31st December, 1939, according to the best of our information, the explanations given to us, and as shown by the books of the Company. All the transactions of the Company that have come under our notice have been within the objects and powers of the Company.

Winnipeg, Canada,
23rd January, 1940.
M. G. TIDSBURY, President
A. H. THORPE, Mgr.-Secretary

G. B. HARE & CO., C.A.
Auditors.
E. H. MUIR, Vice-President
A. G. HALL, Treasurer

DIRECTORS:
M. G. TIDSBURY
P. D. McARTHUR
JOSEPH TRIMBLE
E. H. MUIR
ROBERT McDERMOTT
ARTHUR SULLIVAN, K.C., Winnipeg
JAMES McKENZIE
J. C. MILLER, K.C.
HON. D. L. CAMPBELL, M.L.A.

"The Company operates under the Dominion Insurance Act, and is subject to Annual Inspection by Dominion Government Officials."

FIRE and WINDSTORM INSURANCE

AT QUEEN'S PARK

It's Mr. Hepburn's Move

BY POLITICUS

PREMIER HEPBURN is angry. bandwagon he planned to do something about it, and that something was to form a coalition Government with Col. George Drew.

Knowing something of Col. Drew's ambition to be Prime Minister, Politicus felt that that story looked fishy, though the Liberal members were sure that it would be fulfilled in actuality. Col. Drew, they didn't seem to realize, wants to be Prime Minister of Ontario, not one of Mr. Hepburn's cabinet ministers. Both Mitch Hepburn and George Drew are the type of men who must lead, not follow. There is no such thing as a joint leadership. One of them would have to step aside. But politics being what it is, the story was worth while running down. Mr. Hepburn couldn't be reached. Col. Drew was finally reached just before this was written, after he had returned from speaking at a rally in London.

Here is what George Drew had to say: "It's nonsense. Utter nonsense. There is absolutely nothing in it."

Now those five members of the cabinet have joined in the support of the Mackenzie King candidates in their own ridings. First to swallow himself was Mr. Nixon, by way of a telegram sent to the Brant convention meeting to choose a federal candidate in support of Mr. King. The same day Mr. McQuesten appeared on a King-Liberal platform in Hamilton. Then came Mr. Dewar, Mr. Houck, and finally last week-end came Mr. Conant at Oshawa in support of Billy Moore.

In no case did any of the five offer publicly any reason for their disavowal of their own votes in the Legislature just a few weeks earlier. The unusual and highly illogical attitude these men have taken is not unknown to them. They are not fools. The reason for their actions in kicking Mr. King in the pants one day and then slapping him on the back the next must be tied up with their feeling that it is for their own good. It is not that they love Mr. King more or Mr. Hepburn less, but it is straight fear for their own political skins when the next provincial election comes along.

It is axiomatic in politics that it is much better for a provincial member to have his riding represented in the House of Commons by a man of the same party, even if supporting someone whom he dislikes, than to have an out-and-out enemy in the House of Commons. That enemy will only help to oust the provincial member when it comes his turn to go to his voters.

Ministers Don't Know

What Mr. Hepburn will do about it is the question that has been agitating the Liberal members in the House at the end of last week. When Mr. Hepburn did not appear in the House on Friday afternoon rumors began to fly thick and fast. And when rumors begin to fly amongst politicians they change and gather as they speed along.

One of the reasons for the flight of these many rumors is that none of Mr. Hepburn's ministers are really in his confidence. "Mitch" makes up his own mind, and any counsels he takes are not from the members of the House.

One of the rumors was that Mr. Hepburn would clear out every one of his cabinet ministers and replace them with thirteen other holders of preferred seats in the House. And with that story came the repercussion amongst his private members that they didn't care and wouldn't do anything about it if he did boot out twelve men and replace them with twelve others as long as he left Harry Nixon alone.

Mr. Hepburn's front benchers have never been known for their ability, popularity, political sense or statesmanship. In every case it has been Mr. Hepburn who has saved their necks when the going got tough and the Opposition had driven the minister to the wall. Never has that been more clear than this session when the Premier, time and again, had to come to the rescue of his Attorney-General when both George Drew and Leo Macaulay had him cornered on the Succession Duty amendments. The same was true to a lesser degree in Eric Cross' case with the attempt to change from annual voting for municipalities. The one exception is Harry Nixon, whom the Liberal backbenchers like, and who sits on the Premier's right. Harry Nixon is the only one of the front line sitters who could pull any weight with the Liberals in a pinch.

At the end of last week Mr. Hepburn had done nothing to fulfill the fears of his followers, and Politicus was unable to run down the story.

Would Drew Coalesce?

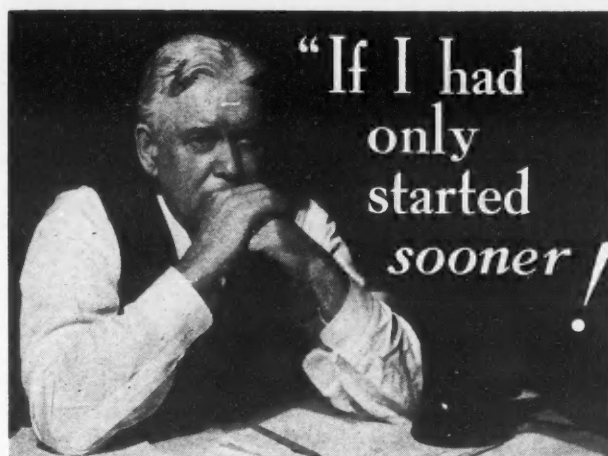
The other important rumor that the Liberal private members are even more agitated about is the one about a coalition Government in Ontario. Several of them got Politicus in a corner and asked him if the story were true, if he had heard anything about it. And did he think it would work? As for themselves they were angry in advance and spoke without the usual number of furtive looks into corners.

Here is the story they tell. It is that Mr. Hepburn, still hating Mr. King, has not given permission to his ministers to support Mr. King. That when he heard of their actions he was still more angry, and as more ministers jumped on the Mackenzie King



THE ONLY CHURCH OF ITS KIND in the world, a church where members of the world's most famous police force form the congregation, the Chapel on the Square at the Royal Canadian Mounted Police training base at Regina, Sask., was dedicated recently to the memory of 300 original members of the force who marched into Western Canada to bring law and order to the plains, infested then by whiskey smugglers who operated among the Indians, in 1874. Recruits in training at Regina are shown in this picture marching to service in the chapel which last summer was reconstructed. A memorial to the old-timers was unveiled by Captain W. Parker, Medicine Hat, Alta., one of the three survivors of that band which marched 300 miles westward from what is now Winnipeg to MacLeod, Alta., the longest march of an organized force in British history.

point where they will follow anyone who can assure them of protection against loss of their seats, the tongue-lashing of the Premier, and with it the loss of patronage. Patronage, or the hope of patronage, is one of the things that maintains party discipline and holds together riding associations. The next few weeks will be very important in Ontario.



"If I had only started sooner!"

"... Boy! how these last ten years have galloped past... Sixty's almost here... and I'm not nearly ready to retire—that is, financially speaking."

Even if you are in your forties, we can show you how you can retire with a life income in 20 or 25 years.

... On the other hand we have never heard a man who is about to retire on a Canada Life income voice regret that he started young to put by money for that inevitable day when he must leave his desk for good... and in the years between, life usually has been happier in the knowledge that his family was protected by life insurance.

An early start certainly makes it much easier to arrive at 55, 60 or 65 with an income for the rest of your life.

----- It will pay you to investigate! -----



The Canada Life Assurance Company,
330 University Ave., Toronto, Ont.

Without obligation on my part please tell me how I can get a guaranteed Canada Life Income \$50 ☐ \$100 ☐ \$200 ☐ \$300 ☐ a month at age 55 ☐ 60 ☐ 65 ☐

Name

Address

Born Day of 1

Canada's Oldest Life Assurance Company

The Big Kick's in Not Being Rich!

YES, it's nice to have a lot of money to spend. But don't forget there's also plenty of fun to be had "on the way up" to affluence.

There's the satisfaction of achieving something better than you're used to—stepping up, for instance, to this smart, swift, solid McLaughlin-Buick after you've been driving run-of-the-mill cars.

Just you feel the silk-smooth surge of its great 107 horsepower miscropoise-balanced straight-eight engine—and

you know that all that went before was only preliminary to this big thrill.

You flip the firm, easy gearshift—and the click of its action under your hands says here's the real thing in precision-made mechanisms, not just a stopgap to tide you over.

You roll your steady, even-going, firm-riding way, and the taut, staunch, everywhere-substantial feel of this fine car brings a sense of "getting somewhere" as thoroughly satisfying as owning your first gilt-edged bond.

You've got *action* in this honey. You've got *style*. You've got *value*, and everybody knows it. You've got *life*—you'll romp up hills and tame the wide-open spaces and doff your cap to no one on the way.

And there's nothing light, or loose, or tinny, or labored about it anywhere. Here's the sure, steady, take-it-in-stride demeanor of a car that's competent-plus.

Suppose you have to stretch a bit to buy this McLaughlin-Buick—well, you'll find that will only make you prize this great eight all the more!

So go look at the car that can mark a milestone in your life. It doesn't cost a thing to find out how little a really good car will stand you delivered.

"Best buy's Buick!"

The model illustrated is the McLaughlin-Buick SPECIAL Four-Door Touring Sedan.



SEE YOUR NEAREST BUICK DEALER

Men respect...Women admire WELL-GROOMED HAIR



Use the VITALIS "60-Second Workout"

GOOD-LOOKING HAIR stamps you as a man who is particular about his grooming... who rates a great deal of admiration and respect! Day and night, it adds to your smart appearance, helps you make the favourable impressions that lead to social and business success. And that's why Vitalis and the "60-Second Workout" are so important!

Just apply Vitalis to your scalp with a brisk massage. Feel the pleasant tingling as circulation quickens. Your scalp responds to this healthful stimulation—loses its tightness—becomes free and flexible. You root loose dandruff—help prevent excessive falling hair. Notice how lustrous your hair looks. The pure vegetable oils of Vitalis supplement the natural scalp oils—overcoming dryness. Now comb your hair. See how easy it is to manage, how perfectly it stays in place—without a single trace of that objectionable "patent-leather" look.

Get a bottle of Vitalis from your druggist today. Start now with your "60-Second Workouts" and have good-looking hair that wins the approval of men, the admiration of women!



150 Seconds to Rub—Circulation of the scalp quickens—the flow of necessary oil is increased—hair has a chance!



210 Seconds to Comb and Brush—Your hair has a natural lustre—but no trace of that objectionable "patent-leather" look.

Ask Your Barber

He's an expert on the care of scalp and hair. For your protection in the barber shop—genuine Vitalis now comes only in sanitary, individual Sealubes. Next time you go to your barber's, insist on Vitalis Sealubes.

VITALIS

HELPS KEEP HAIR HEALTHY AND HANDSOME!

THE LONDON LETTER

Nobody Talks About the Weather

BY P.O.D.

January 22nd, 1940.

ONE of the oddities of the news these days—though perhaps a necessary oddity—is the absence of any comment on the weather, whether by way of retrospect, survey, or forecast. On that engrossing subject the wireless and the newspapers are dumb. Weather news of any sort is simply taboo.

Obviously it would not be good business to advertise to the world and the Nazi airmen that the weather for the next few days would probably be grand for bombing—if they couldn't find it out for themselves. But I have a notion that the Knights of the Flying Swastika know as much about British weather as we do.

Besides, I am not at all sure that it wouldn't be a good idea to go on publishing the weather forecasts. They might fool the Nazis as much as they used to fool the rest of us. You couldn't even count on them being always wrong. There was just nothing to go on.

However that may be, this country is at present in the grip of the hardest winter of the century so far. Even down in the extreme South the white drifts are piled up along the roads, trains are snowbound, mails arrive any old time, if at all, people trudge along with only their poor watery eyes and red noses showing amid their multitudinous wrappings, and plumbers hurry—well, you know how a plumber hurries—from house to house to thaw out the frozen pipes or plug the ones that have burst.

Altogether it is the real thing in winter. It would be considered real even in Canada. But not a word in the newspapers, not a hint over the air—unless the announcement that nearly all the football matches have been cancelled, and that they are holding skating races up in the Fens should be so regarded. Otherwise nothing to give the Nazis the least idea that we are not basking in the mild and humid breezes from the Gulf Stream. You can't be too careful with those lads, I suppose.

The Plight of Music

I can't remember if it was music that was originally called "the Cinderella of the arts." Every art is, I suppose, somewhere at some time a sort of Cinderella. But music is surely the Cinderella in England, and just now it is having a more than usually Cinderellish time.

This doesn't mean that the English are an unmusical race—or even worse than average in that respect. They are certainly less musical than Germans or Italians, for instance, but there is a large section of the British public which is very keen about music. Good music, too—good by any standard. They show it by the way then turn out to symphony concerts and other performances of a decidedly high-brow sort. Audiences are big and enthusiastic.

The trouble is that this sort of popular support is not enough. It is a matter of finance. No orchestra of any size can go on living on the box-office receipts, unless the price of tickets is put up to a level which a great many people cannot afford—especially nowadays.



THEY STOLE THE SHOW. The King, his attention momentarily distracted from an inspection of Canadian troops in England, smilingly acknowledges the cheers of three small evacuees.

The same difficulty exists in other great cities besides London—even cities reputedly so musical as Berlin and Vienna—and there it is usually met by subsidies, either national or municipal. In other cities there are private funds. In none of them is a great orchestra expected to get along with no other resource than the sale of tickets for its concerts.

But that is exactly what the London Philharmonic Orchestra has had to do, and it is now reaching the point at which some outside source of supply must be tapped, or the orchestra will have to disband—a sad but appropriate word in the case of a band. A mere £10,000 will do it, but even £10,000 is a lot of money these days. And there is, of course, no hope at all of assistance from the authorities. There never was.

Great is Sir Thomas!

At Queen's Hall the other night the conductor, Sir Thomas Beecham, made an appeal on behalf of the Philharmonic Orchestra. As "Tommy"—so is he affectionately and admiringly known to multitudes of concert-goers—is nearly as good a speaker as he is a conductor, the speech was lively and pungent stuff. Already it is said to be producing a very salutary effect in inducing the shekels to tumble musically into the bag. What a pleasant jingle that is!

Some of the Tommy-isms are worth quoting. He began by addressing his audience as "the élite of London musical society," and then—having waited a moment or two for them to purr over it—assured them that it was nothing to be proud of.

In every other country in the world, he went on, there were permanent musical institutions, but not in England. "We have colleges and academies, and we have secular institutions like lunatic asylums, but we have no really musical institution supported by the authorities. This is the only country in the world where musicians are not expected to live. Of course, composers and musicians have always starved, and, as this is a sentimental country, we think the tradition should be continued."

There was a lot more of it, which I would like to quote but have no room for—especially certain comparisons between conditions in London and the far happier position of orchestras in such cities as New York, Philadelphia, and Boston.

Well, it is earnestly to be hoped that Tommy gets his £10,000. In the meantime he has been conducting a long series of concerts without fee of any kind. There is probably no other man who has made such contributions, both artistic and financial, to the noble cause of music in England. Great is Sir Thomas!

Back to Turkish

Before the last War, I remember—what a long time ago it seems!—people used to smoke a lot of Turkish cigarettes. Not so many as Virginia, of course, but considerable quantities of them. Then the War came along, and people naturally got out of the habit of smoking it.

After the War Turkish cigarettes never really recovered their vogue. People that used to say they smoked Turkish cigarettes because the Virginia kind made them cough, went on smoking Virginias because they said Turkish cigarettes made them cough. It is a poor reason that can't be made to work either way—where our inclinations are involved.

Now it begins to look as if we would all have to develop a liking for Turkish tobacco again—at any rate, in this country. The Turks, instead of being our singularly tough and determined enemies, are now our trusty allies guarding the gate to the East. We give them our praise and our confidence, and also a certain amount of our money—a little matter of some £25,000,000, to start with.

This Turkish Loan isn't just a sort of Christmas present, but is to be ex-

pected in the purchase of Turkish goods—especially Turkish tobacco, as the Prime Minister himself stated in announcing the Loan to the House of Commons. And you can buy an awful lot of tobacco for £25,000,000.

Already, it is said, British tobacco manufacturers have stopped importing American tobacco. Instead, Turkish and also Balkan tobaccos—there is nothing much to choose between them, except perhaps to the very delicate connoisseur—are to be blended with the existing stocks of Virginia tobacco in the making of our cigarettes.

What the resulting blends will be like remains to be seen—or tasted. Personally, I think I prefer to inhale my poison, whether Turkish or Virginian, neat. But it may be that

WINTER SCENE

GO GENTLY here:

The lightest step would break These crystal trees;
The slightest whisper shake These weighted boughs
To powder on the ground.
Be cautious; make no sound;
Go softly, with held breath,
Across these brittle orchard slopes of death.

FLORIS CLARK McLAREN.

the percentage of Turkish tobacco in the coffin-nails will be so small as to make very little difference. In any case, we won't notice any difference, after a little while.

We'll smoke them, and we'll like them. And when some day we can go back to straight Virginias—if we have any money left to expend on such noxious frivolities as cigarettes—we shall probably find that they make us cough, and that we have to break ourselves in to the use of them all over again. Sad to think that not even our vices are permanent!



NEAR HERE, IN THE HEART OF LONDON'S

WEST-END lie several famous streets which supply, in a quiet way, many of the luxuries of life. Here it was that Alexander Boguslavsky first blended Beau Royal Egyptian Cigarettes for people of discernment and good taste. Today Beau Royal are still prepared carefully by hand with the same skill as in the good old days. In their flavour and bouquet one can still savour the genius of the master blender, a subtle excellence in keeping with the highest standards of good living.

10 for 50c. 25 for \$1.25 50 for \$2.50.

BEAU ROYAL

Hand Made Egyptian CIGARETTES
MADE IN LONDON



CERISE NO. 2 RUSSIAN CIGARETTES

There is something intriguingly different about these cigarettes which appeals at once to discriminating people. A superb example of Boguslavsky's art. 10 for 50c. 50 for \$2.50.

ALEXANDER BOGUSLAVSKY
55, PICCADILLY, LONDON.

Enquiries to—
The Rock City Tobacco Co. Ltd., Quebec.

Madison

Overlooking Ocean at Illinois Ave.
NEW—FIREPROOF
WEEKLY \$60 ROOM, BATH
AND MEALS
Open and Enclosed Sun Deck
SPECIAL DAILY AND WEEK-END RATES

Jefferson
KENTUCKY AVE. near BEACH
DELICIOUS ROOM.
\$5 BATH AND MEALS
(Two in Room)
WEEKLY RATE \$55
TWO PERSONS

FUSSY ABOUT HIGHBALLS?

then have a
care about
the mixer!



Once you've tried a long tall drink mixed with Canada Dry's Sparkling Water, you'll be through with carbonated tap water for life. You'll find this great mixer brings out an extra measure of flavour you never knew was there! It's really a distinctive club soda.

The reason is Canada Dry's special process, "Pin-point" Carbonation, that gives this water millions of extra, tinier bubbles and that 24-hour "Champagne" sparkle! Important too, alkalinizing ingredients are added to help counteract acidity, promote good health.

Take home a bottle today and discover for yourself the mixer that makes the last swallow as zestful as the first sip! Be thrifty, buy the new, easy-to-carry, handy home carton of three large family-size bottles.

CANADA DRY'S SPARKLING WATER

THE CLUB SODA WITH THE LONGER-LASTING
Champagne SPARKLE

Listen to Canada Dry's new radio hit
"INFORMATION, PLEASE!"



A LUXURY CAR -
BUT NOT A LUXURY PRICE!



Give yourself a Treat
— DRIVE A 1940

De Soto

Accept your De Soto dealer's invitation to relax in the cradled comfort of De Soto's "Full Floating" Ride...whisked along behind De Soto's silky 100 horsepower motor.

1940 DE SOTO COUPE \$1124
DELIVERED IN WINDSOR

License and local taxes (if any) only extra.
All prices subject to change without notice.

BUSINESS
FINANCE
THE MARKET

FINANCIAL SECTION

INSURANCE
THE MINES
GOLD & DIAMONDS

Safety for
the Investor

SATURDAY NIGHT, TORONTO, CANADA, FEBRUARY 24, 1940

P. M. Richards,
Financial Editor

Central Europe—Key To Lasting Peace

BY R. M. COPER

Many suggestions have been made to solve the problem of Central and South-East Europe through certain economic combinations. But the root of the trouble was purely political, and thus any economic attempt would not have been of much avail in a world like that of 1918 and after.

But the problem is still unsolved, though its urgency is somewhat delayed through the present war. There is, however, no justification for assuming that the war, whatever may happen in its course, will solve the question automatically.

And if we do not solve it ourselves it will remain a danger to lasting peace.

SIXTY years ago a mathematician proved that a circle cannot be squared. For more than two thousand years, since the time of the earliest Grecian mathematicians, the problem had challenged the ingenuity of countless generations. And even now mathematicians are inundated with supposedly correct solutions. They issue from people who want to become immortal through a scientific discovery, yet their minds are unscientific enough to disregard conclusive proof.

If we look at the many suggestions which have been made to solve the problem of Central Europe we are reminded of the fate of the circle. Only it has so far not been proved that the problem of Central Europe is insoluble. The proof is outstanding not because the problem is capable of solution, but because the present war has created more immediate problems, and wider ones.

In 1920, when all the details concerning the future looks of Central Europe had not been quite settled, or taken their shape, the first voices were already raised to improve the situation. People would not wait, without taking precautions, until the child had fallen into the well. Some of them constructed a cover, but when it was ready they were prevented from putting it in place. No, said the others, the child must fall in first.

The Child Fell In

In fell the child, and the shock over the accident of its own making has kept the world in such confusion ever since that it has not been able to re-discover the secret of reparation and prevention. It remains lost to this day, and if it is not found when the war is over, we shall see another child disappear in the well; the child who is lasting peace.

So much has been said and suggested that in the din which the world improves made, the voices of the few were drowned who realized that the problem was insoluble in the world of 1918 and after; had been insoluble before Hitler began to fish in troubled waters, which did not make them clearer.

But this war gives the seekers after the secret a chance which the mathematicians can perhaps never have. It does not by itself, but it can, if we will, create a new dimension; a dimension of international consciousness and conscience, of the right mixture between gentle persuasion and derivative persuasion which would permit not the unscrambling, but the digestion of the Central European omelette.

The Economic Aspect

Here we want to concern ourselves only with the economic aspect of the problem. It has found as many interpreters and well-meaning suggesters as the political aspect, in fact many more. For if one could not make state A and state B agree on territorial, minority, and other political concessions, could one not at least make them listen to reason if one told them that much could be achieved through economic pacification? Certainly one could, if one only had not the feeling that A and B were all the time sitting on the fence, waiting for C to knock the other in the economic teeth; and laughed if C did.

Nothing is, of course, nearer than to adduce the example of the German Zollverein which, in a way, was the precursor of the German Reich. This example has been frequently adduced in recent years, and with few exceptions in a way which honored the zeal of the perpetrators more than their knowledge of history, and their economic understanding.

The German Reich would have come without the Zollverein; simply because the German people wanted it. And the Zollverein had to come not only because all its members formed an integral economic unit, but because the liberal revolutions of that period wanted it.

Are there similar conditions given in Central Europe?

Before we look more closely into this question, it is better that we define the areas of which we are speaking. It has become customary in recent years to talk of Central Europe, South East Europe, the Danubian Basin, and the Balkans as if it were all the same. And if they were generous, people throw the Baltic states and Turkey into the bargain; it cost them nothing.

Overlapping Areas

Central Europe comprises what we call, or called, and shall call, or may call again, Germany, Poland, Czechoslovakia and Austria. The Danubian countries comprise Czechoslovakia, Austria, Hungary, Rumania, Yugoslavia, and Bulgaria. The Balkan countries comprise Rumania, Yugoslavia, Bulgaria, Italian Albania, Greece, and Turkey in Europe.

South East Europe comprises the Balkan countries and Hungary.

There is thus a great deal of overlapping, but this does not compel us to be inaccurate if we want to be accurate.

Until 1918 large portions of the Danubian and Balkan countries were united in the Hapsburg Monarchy. It has been said that at least the economic consequences of this combination were wholesome. Indeed, they were. But there could certainly have been fewer customs wars than there were between the Monarchy and its neighbors; and an administra-



NO SURCEASE FROM SORROW

tion which was not so stubborn, unimaginative, and mailed-fistish as that of the Hapsburgs, might have created a level of economic activity in the whole area which would have exceeded the reality by far.

The Burden of Arms

If this had happened the disaster of 1918 would, on the other hand, have weighed more heavily on the populations. And, after all, why blame the narrow-minded philistines and sycophants of an outlived autocracy, if an enlightened European era like that after 1918 had to wait for Hitler's re-armament demands to reveal and develop, for instance, Yugoslavian natural resources of undreamt riches?

In 1913 the Dual Monarchy had 51 million people. It maintained a peacetime army of 425,000 officers and

men of all ranks; its maintenance costs were about one hundred million dollars a year.

In 1938 the four countries of Bulgaria, Hungary, Rumania, and Yugoslavia had together 50.3 million inhabitants. They maintained between them until the outbreak of this war (and since then the figures have enormously increased) standing armies of 480,000 men for which they budgeted in 1938/39 not less than 175 million dollars.

This is, of course, a political question, but one with far-reaching economic repercussions. They must be particularly severe in predominantly agricultural countries like most of the countries in South East Europe.

In Bulgaria 80 per cent of those who are actively occupied, are so in agriculture; in Rumania 78 per cent; in Yugoslavia 71 per cent; in Hungary

(Continued on Page 11)

THE BUSINESS FRONT

New Frontiers

BY P. M. RICHARDS

"THE nations of the world have overstocked themselves with machinery and manufacturing plants far in excess of the wants of production. This full supply is the most important factor of the present industrial depression. The day of large profits is probably passed."

To many people this would seem to be an entirely reasonable statement of one of the major reasons for our decade-long depression and our continuing lack of confidence in future progress. But it's more interesting than it looks in that it was not said yesterday but away back in the 1880's, by the then United States Commissioner of Labor.

The Commissioner's prediction was, as we know now, somewhat wide of the mark. During the subsequent decades the United States enjoyed spectacular and unparalleled prosperity. It witnessed the beginning and flourishing of the automobile, the radio, the movies, electric refrigeration, the airplane and many other facilities which have contributed so much toward raising the standard of living.

It may be true that the United States passed its geographical frontiers before the end of the last century, but in that country as in Canada and the rest of the world, new frontiers are constantly being made by science and invention which are broadening the horizon and contributing toward human wants and employment. About one-third of the persons employed today on this continent are at work on jobs which did not exist four decades ago. And millions spent in research (about \$250,000,000 annually, in the case of the United States) are continually resulting in the development of new products and processes and thereby bringing an increasing number of goods within the buying range of the masses of people.

Progress

This is clearly demonstrated by a few facts and figures. The number of automobiles in the United States has increased nearly twenty-five fold since 1913, until today our neighbor has more than twice as many cars as all other countries combined. The price of an average car has been reduced about one-fourth in the past fourteen years. It is interesting to note that the average annual earnings received by automobile factory workers are one-half more than the national average of all workers. Since 1900 it is estimated that the U.S. automobile industry has paid out approximately \$83,000,000,000 in wages. The average life of a rubber tire has increased nearly

seven-fold in less than twenty-five years whereas the price per tire is only a fraction of that of the earlier period. Approximately one-third of the world's railway mileage is in the United States and last year the American railroads moved on the average a ton of freight for less than a cent a mile, the cheapest rate in the world.

The U.S. has one-half of all the telephones in the world and constant progress is being made through organized industrial research to extend services and to lower rates. The cost of sending a long-distance telephone message one thousand miles is only about two-fifths as much as in 1926, and the time required to make inter-city connections has been reduced by more than two-thirds during the same period.

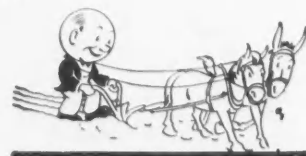
Real Wealth-Sharing

Of the more than 32,000,000 homes in the United States, three-fourths are wired for electricity. About 85 per cent of the homes have radios, 70 per cent have electric irons and approximately 40 per cent have electric refrigerators, toasters and washing machines. The widespread use of electricity is due very largely to the steady decline in the rate which is now only three-fifths of the 1913 level. It is estimated that as a result of the remarkable increase in the efficiency of the modern electric lamp, which uses less electricity and gives more light, the American people are saved in lighting bills \$5,000,000 a night, or nearly two billion dollars a year.

All classes have shared in this remarkable progress. The trend of real wages for the past three decades or so has corresponded very closely with the productivity per worker. Of course, in the long run this must be so, for the very continuation of the capitalist system is dependent upon a broad distribution of income in order that goods may be absorbed.

The driving force behind this progress has been the spirit of private enterprise operating under the fundamental principles of democracy, which has provided free play of individual energy and initiative. Continued progress depends upon the prospects of a reasonable return on capital investment and the safeguarding of property rights. Shall we have these requisites?

As Abraham Lincoln said in a speech to workingmen in 1864: "Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example ensuring that his own shall be safe from violence when built."



Canada's Future In World Trade

BY TOM REID, M.P.

If nations continue to concentrate on building up exports while restricting imports, foreign markets will narrow further, world trade diminish and political and economic systems will have to undergo drastic changes. For the world's peoples will not permanently accept doles or relief knowing that the trouble is not lack of production but faulty distribution.

The author discusses Canada's international trade position and insists that removal of trade barriers must be a part of any post-war settlement.

THE British people are the greatest traders in the world, and it is largely through their efforts as such that the British Empire has been built up. The spirit of the British peoples can be summed up in three words, Ships, Colonies, Commerce. Canadian commerce was carried on almost exclusively with the United Kingdom some sixty years after the defeat of the French in Quebec. Even after the American Revolution, New England merchants complained about being shut out of the Canadian market, and back in 1882, Great Britain made some concessions in respect to Canadian trade.

Ever since Confederation, however, Canadian trade has been carried on predominantly with one or other of the two great English-speaking countries, the United Kingdom and the United States, and it should be noted how the trade between these two countries and Canada has kept almost at the same ratio throughout a long period of time.

Stable Relationship

For instance, back in 1886, Canada's trade with the United States and Great Britain was 44% with the United States as against 40.7% with Great Britain. That was in 1886. In 1938 our trade with the United States amounted to 39% of our total trade as against 38% with Great Britain. This 38% with Great Britain amounted to a total in round figures of over 460 millions, whilst the 39% of our trade with the United States amounted to well over 603 millions. Taking these two countries together Canada's total trade with them amounted to 1,063 millions of dollars, or approximately 70% of our entire trade which in 1938, had a value of \$1,634,177,000.

When one views the position as to trade occupied by the British Empire, or as it is sometimes called, the British Commonwealth of Nations, one cannot help but realize the great importance of that position in the world today. Speaking of 1938, the British Commonwealth of Nations accounted for 30% of the entire trade of the world, the United States taking 11%; The whole of Asia, including Russia only 15%, with the rest of the entire world, including Japan, accounting for the balance, namely, 44%. Such figures are astounding and help us, as already pointed out, to realize why some nations today are envious of the position held by the British Empire in trade and in world affairs.

Unique Position

Canada, herself, occupies an unique and prominent position as a trader. In 1938 Canada held fifth place in total trade, eighth in imports, and fourth place in exports, being lead only by Great Britain, the United States, Germany and France. When one considers, however, Canada's population of only 11 million people as against 45 million in Great Britain, 130 million in the United States, 63 million in Germany and 61 million in France, the fact that a country of only 11 million people held fifth place in total trade is really amazing and something we in Canada can be justly proud of.

Canada was the first Dominion in the Empire to grant a preference to Great Britain on manufactured goods and soon after extended these preferences also to the other Dominions.

There has been some shift in trade of late years as between Canada and Empire countries, and as between Canada and foreign countries. For instance, in 1929 our imports from Empire countries were 20% as compared to 80% from all foreign countries. Our exports in the same year were 33% to all Empire countries as against 67% to all foreign countries. In 1938 Canada imported 28% of her goods from Empire countries, an increase of 8% over that of 1929, whilst in regard to exports these had increased in 1938 by some 15%, our exports to foreign countries having decreased from 80% in 1929 to 72%, a drop of 8%.

This change has been, to quite an extent, forced on us due to changes, first, in the economic policy of some certain countries, and secondly, by maladministration of the world's yardstick of value—gold, followed by the practical elimination of silver as a monetary unit of value from countries which depended almost entirely on this precious metal as their sole medium of exchange.

The policy of the past nine or ten years adopted by certain countries of placing high tariff walls around their country has been the cause, to quite a considerable extent, of the severe economic crisis resulting in unemployment of astronomical numbers of the world's workers with its consequent misery and distress.

Dangerous Policy

We now call this policy Economic Nationalism, and even we in Canada have not been immune; so some thought should be given to it, for there is danger of such a policy becoming too deeply rooted, and we are apt to lose sight of a great fundamental truth, namely that to sell goods freely to other countries, we must also be prepared to buy their goods in return.

There are only two ways in which goods or services as between countries can be exchanged; first, barter which was the system of early man, but which in these modern times is far too cumbersome for the world to go back to, although attempts have been made recently by some countries to do so. Secondly, and apart from barter, goods can only be paid for by some monetary unit acceptable to that nation and which unit of value has throughout the long ages been Silver or Gold or both. One of the most glaring examples in recent times has been the story of War Debts.

The Reparations Committee in 1918 fixed the debt payable by Germany at some \$33,000 million and then the creditor countries started to raise their tariffs against the entry of her products. This was followed, in the case of some countries, by competitive depreciation of currencies, in an attempt to surmount the barriers created by certain countries against outside trade.

Distress Inevitable

Under such a condition as existed and still exists, only one thing could and did happen, namely; great distress in every country in the world including Canada. Great Britain today owes the United States some six or seven billion dollars, and only defaulted after every other country had defaulted on her. She could not pay in gold as she did not have it, and so we witness the strange situation where, if she attempted to pay in goods, it would bring economic chaos to the people in the United States.

One cannot tell what economic system will be in effect in the future, but if there is one lesson the past can teach us it is this, the nations who have gone out to trade, and trade freely, have been the nations who have given most of this world's goods to their people and the nations who have built walls around themselves, have generally speaking been the nations giving least and with a lower standard of living. That has been the world's experience in the past, and I would hazard a guess that it will be the experience of nations and countries for many years to come.

Buy as Well as Sell

It is my firm belief that if nations continue the policy of endeavouring to sell and refuse to buy or accept goods from other countries in return, then our entire economic and political systems will have to undergo drastic and radical changes. As the markets abroad narrow, and the sale of our goods drop off, it cannot be expected that our people will be satisfied for long with doles or relief, especially when it is realized by them that their distress is not due to a glut or scarcity of goods, but rather to a glut or inability of the people to purchase the goods which we can and do produce in abundance.

Canada, despite statements sometimes made about our being an agricultural country, is gradually changing. Our rural population which in 1901 was 63% rural and 37% urban was shown to be according to the last census in 1931, 54% urban and 46% rural. In our change-over to industry, however, I am of the opinion that it is a most unwise policy for Canada generally, and particularly for the extreme eastern and extreme western provinces, for us to have 70% of all our textile industries located in the two great central provinces, Quebec and Ontario.

(Continued on Page 9)

GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast.

POWER CORP.

Editor, Gold & Dross:

I have 75 shares of Power Corporation common stock bought at 11½ a year ago. Before the war started it had gone up to 12, but since has been under that figure. What is your opinion of this stock?

—V. C. O., Walkerville, Ont.

I think that the common stock of Power Corporation, which is quoted currently at 10½, has above-average speculative appeal, and if I were you I would be inclined to hang onto my commitments. At the 60 cents-per-share dividend rate, the stock is yielding 5.7 per cent.

As you probably know, Power Corporation is a holding company, primarily interested in the development of hydro-electric and public utility companies. In consideration of a management fee, it also supervises properties it controls and provides management and engineering services to other properties. Power Corporation controls, or is substantially interested in, British Columbia Power, Canada Northern Power, East Kootenay Power, Foreign Power Securities, Northern British Columbia Power, Southern Canada Power and Winnipeg Electric.

In an interim statement covering the 6 months ended December 31, 1939—the first half of the company's fiscal year—a substantial improvement in earnings, combined with an appreciation of some 14.4 per cent. in market

value of investments, was shown, as compared with June 30. After all operating expenses, debenture interest and preferred dividends, a balance of profits for the period was equal to 48 cents per common share, against 36 cents a year ago. In the year ended June 30, 1939, earnings were equal to 75 cents per common share, as compared with 93 cents in 1938; 73 cents in 1937; and 50 cents per share in 1936. Increased industrial activity which should result as war demands grow more acute should benefit the company.

POWELL ROUYN, O'BRIEN

Editor, Gold & Dross:

Is there any apparent explanation for the recent slump in the price of Powell Rouyn? Do you consider it good buying at present prices? And what about O'Brien? Is this mine petering out? Has anything happened to the outlook?

—R. L. N., Regina, Sask.

The recent slump in the price of Powell Rouyn Gold Mines is attributable to reports that ore developments on the five new levels from 950 to 1,550-foot depths, have not been as favorable as on the upper horizons. Company officials, however, claim that insufficient work has been completed on these horizons to provide a proper basis on which to judge ore possibilities. Developed ore is officially estimated at 536,300 tons down to the 800-foot level. The company's fiscal



J. W. TAYLOR, F.C.A., president of the Institute of Chartered Accountants of Ontario, announces the annual dinner of the Institute is to be held Friday, March 1. Air Marshal W. A. Bishop, V.C., will speak on "Canada's War Effort."

year ends March 31 and by that time it is believed a fairly comprehensive picture will be available of the ore situation at the new levels.

O'Brien Gold Mines for the year ended September 30, 1939, reported a satisfactory position. Assets were higher and ore reserves at an all time peak. Net earnings, after all write-offs, were 15.66 cents per share. Possibilities of another high grade section in the No. 4 vein above and below the 2,000-foot level is reported as indicated by drifting and diamond drilling. The finding of further spectacular ore shoots would seem necessary to again sharply boost the price of the stock.

SHAWINIGAN

Editor, Gold & Dross:

Would appreciate your comments on Shawinigan Water & Power Company Limited, Montreal, suggesting to what extent Shawinigan would be affected should export of power from Canada to the United States be authorized by the government. Also would like to know where the major portion of the company's income is derived and what you think of the stock.

—D. B., Victoria, B.C.

Virtually all the industrial section of the Province of Quebec is served by Shawinigan Water & Power, which is one of the largest producers of hydro-electric energy in the world. Part of the requirements of private companies serving Quebec and Montreal are also supplied. Shawinigan's electric power sales account for nearly 92 per cent. of gross revenues, with the balance derived from miscellaneous investments and non-operating sources. Through the development of the substantial hydro-electric resources of the region, the company has been able to furnish power efficiently and at a very low rate; and because of these low rate policies and the relative unimportance of residential business, burdensome regulations have not been imposed. Shawinigan Water & Power derives its income primarily from large,

long-term contracts. The paper industry accounts for 44 per cent. of power revenue; the chemical, asbestos, mining and miscellaneous large consumers account for 22 per cent., and contracts expiring in 1967 with Montreal Light, Heat & Power Company account for 14 per cent. The company's own retail sales, including its residential load, provide only 20 per cent. of revenue. So that as far as can be determined at the present time, Shawinigan would be relatively unaffected by the export of power to the United States, under current operating conditions.

Because of sharp gains in industrial activity since the outbreak of war, particularly in mining and newsprint, power sales should increase materially. While the chemical subsidiary will not be particularly affected by the war, it should show continued steady growth. Unquestionably the company's tax burden will increase and fixed costs will expand because part of the debt is payable in United States funds, but otherwise costs should be well controlled, permitting some carry-through of revenue gains to net income. Thus, although the yield on the capital stock is low, and the issue consistently sells at a high price in relation to earnings, the long term outlook is sufficiently promising to warrant its retention.

AGNEW-SURPASS

Editor, Gold & Dross:

Am holding some stock of Agnew-Surpass (common) which I acquired about two years ago. Please let me know your opinion of this stock. And if you have the information handy I would like to know the dividend record.

—T. W. H., Vancouver, B.C.

While I think that the appreciation prospects of the common stock of Agnew-Surpass Shoe Stores, Limited, are limited, I think the issue has attraction for income.

Net in the year ended May 31, 1939, was \$150,136, equal to \$1.11 per common share, as compared with a net of \$156,112 and per share earnings of \$1.22 in the preceding fiscal year. Net in 1937 was equal to \$1.17 per share and to 70 cents and 56 cents per share in 1936 and 1935, respectively. Dividends have been paid at the rate of 80 cents per share in the past 3 years; and in 1936 and 1935, disbursements of 60 cents per share were made in each year.

As you probably know, Agnew-Surpass operates 77 boots and shoe stores located in the principal cities and towns of Eastern Canada. Its factory, located in the city of Quebec, has an output of approximately 2,000 pairs of shoes per day, equal to about 12 per cent of the total Canadian output of men's welt shoes. There is no funded debt, but ranking prior to the common stock are 8,762 shares of 7 per cent cumulative convertible \$100 par preferred stock. The financial position is satisfactory.

MONETA PORCUPINE

Editor, Gold & Dross:

Please tell me whether you consider it advisable to hold or sell my shares of Moneta Porcupine. The price seems to be unduly low in relation to the yield. Are you aware of any developments responsible for this?

—S. H., Montreal, Que.

Moneta Porcupine will have a production of about \$1,000,000 for last year and not much change is looked for in 1940 unless the present depth development program discloses additional ore. The company is more than earning its dividend and has ore resources sufficient for over two years.

While the main orebody appears to bottom around a depth of 1,000 feet, confidence is evident as to the likelihood of further exploration locating recurring lenses. So far only about 50 out of 320 acres have been intensively tested and judging from Porcupine experience it is reasonable to expect additional ore at deeper levels or in parallel zones. Three new levels have been established and work is proceeding on the lowest horizon with no results as yet announced. As of March 31, 1939 the company had current assets of \$686,721 as against current liabilities of \$133,516. I would be inclined to hold the shares pending results of present exploration.

CANADA STEAMSHIPS

Editor, Gold & Dross:

Some years ago I wrote you re some investments I had to make. You very kindly gave me some good, sound advice so I am taking the liberty of writing you again. I am holding some preferred stock of Canada Steamships. Would you advise me to dispose of it now?

—U. M. N., Toronto, Ont.

I think that the 5 per cent. preferred stock of Canada Steamship Lines, Ltd., is unattractive at the present time. The stock is selling currently at 19½ to yield 2.5 per cent. at the 50-cents-per-share disbursement of 1939, and at this price adequately discounts any betterment in earnings which might take place as the result of war activities; and the complicated set-up regarding preferred stock dividends precludes any great increase in disbursements over the near term. Furthermore, because of the poor showing in the past few years, the excess profits tax is likely to prove a

(Continued on Next Page)

Clarkson, Gordon, Dilworth & Nash
TORONTO MONTREAL HAMILTON WINNIPEG VANCOUVER
Chartered Accountants
E. R. C. CLARKSON & SONS
Authorized Trustees and Receivers.
15 Wellington Street West TORONTO

Foreign Exchange Control

New problems have been created for importers, exporters, and everyone concerned with foreign investments.

You are invited to discuss these problems with any of our Branch Managers who will, if necessary, obtain the official ruling.

IMPERIAL BANK OF CANADA

Head Office: TORONTO

BRANCHES THROUGHOUT CANADA

ANOTHER SUCCESSFUL YEAR General Gains Recorded in 1939

The Annual Report of the Directors for 1939 shows definite advances in all departments and specifically in the following features:

	1939	1938
Premium and Annuity Income	\$ 1,034,509.96	\$ 933,824.96
Total Cash Income	1,548,219.98	1,455,226.74
Paid or Credited to Policyholders	1,058,067.47	1,011,881.30
Actuarial Reserves	6,447,707.00	6,011,652.00
Total Admitted Assets	7,655,351.08	7,169,819.94
Insurance in Force	32,525,957.00	31,517,604.00

Mortality rate in 1939 lowest on record. Average rate of interest earned 5.14%. Special Fund for policyholders' profits \$149,124.00. Investment Reserve, Surplus and Capital \$597,708.54.

FINANCIAL STATEMENT

ASSETS		LIABILITIES	
Bonds and Debentures	\$2,731,145.10	Net Reserves for Policies and Annuities	\$6,447,707.00
Preferred Stocks	517,518.73	Policyholders' Funds on Deposit at Interest	368,054.01
Common Stocks	663,768.81	Death Claims Reported—Proofs Not Received	16,656.00
First Mortgages on Real Estate	1,673,649.01	Premiums and Interest Paid in Advance	13,745.97
Real Estate and Agreements for Sale	744,909.38	Accrued Taxes, payable 1940	17,728.47
Loans on Policies secured by Reserves	790,558.22	Retirement Fund and Sundry Liabilities	30,757.82
Cash in Banks and at Company's Offices	109,918.99	Agency Credits awaiting Adjustment	4,768.78
Outstanding and Deferred Premiums (Net—less cost of collection)	159,417.83	Provision for Policyholders' Profits:	
Interest Outstanding	170,077.37	Deferred Dividend Acct.	\$44,331.75
Interest, Dividends and Rents Accrued	94,387.64	Other than Deferred	55,881.50
		Dividends Payable 1940	48,910.75
		Investment Reserve	149,124.00
		Capital and Balance Shareholders' Acct.	219,095.49
		Unassigned Surplus	137,715.54
	\$7,655,351.08		\$7,655,351.08

BOARD OF DIRECTORS

W. SANFORD EVANS, L.L.D., President; DR. E. W. MONTGOMERY, WILLIAM WHYTE, Vice-Presidents; E. E. SHARPE, K.C., JOHN MARTIN, JOHN W. HORN, ROY W. MILNER, C. D. GRAYSON, M. D. GRANT, F.I.A., Managing Director.

THE SOVEREIGN LIFE ASSURANCE COMPANY

HEAD OFFICE - WINNIPEG, CANADA

Complete Financial Service on

GOVERNMENT AND CORPORATION SECURITIES

Inquiries Invited

A. E. AMES & CO.

LIMITED
Business Established 1889
TORONTO

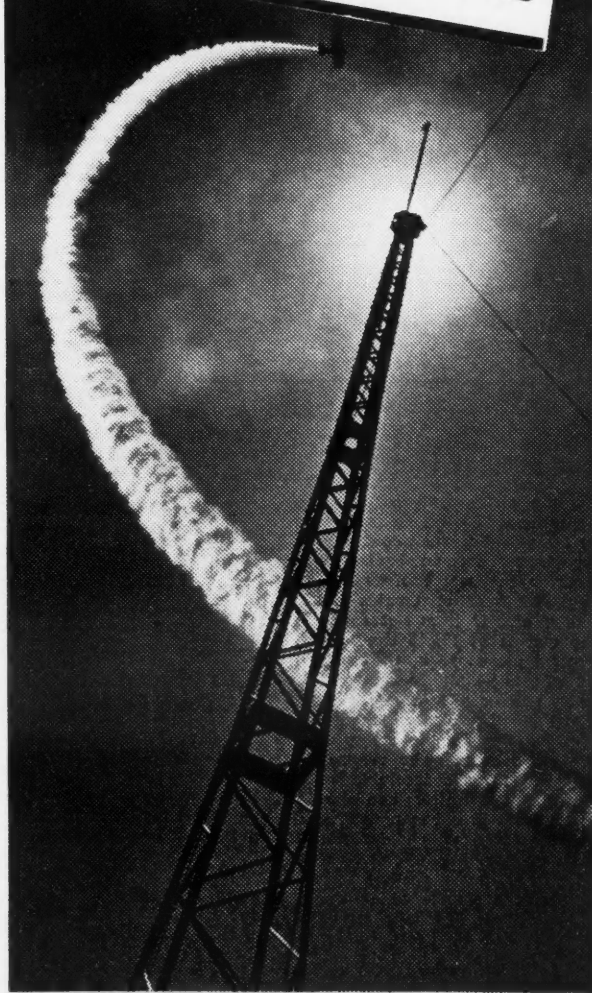
Montreal Winnipeg Vancouver Victoria New York London, Eng.

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.

A. E. OSLER & COMPANY

Established 1886 Members The Toronto Stock Exchange
Osler Bldg., 11 Jordan St. Phone ADElaide 2431

» » **BANKS** facilitate the nation's business



» » » progress

To translate a brilliant "idea" from the inventor's bench to the factory assembly line requires the mobilization of men, machines... money.

Money to speed the nation's progress is available to industry through bank loans, which in turn have their origin in the savings of many people.

As a storehouse for savings, as a source of commercial credit, your bank performs an essential function. Banks facilitate the nation's business.

THE ROYAL BANK of Canada

SECURITY



Adventure
in
Happiness

Plan for it with **SUN LIFE OF CANADA**
HEAD OFFICE - MONTREAL



ABSOLUTE SECURITY
W. R. HOUGHTON, MANAGER

THE OLDEST
INSURANCE OFFICE
IN THE WORLD

Robert Lynch Stalling, Mgr. for Canada
TORONTO

EVERYONE NEEDS THE SUN

THE WAWANESA
Mutual Insurance Co.
—ORGANIZED IN 1896—

Assets \$2,234,188.78
Surplus 1,057,853.38

INSIST ON SECURITY—Then place your insurance on the basis of Broad Coverage and Favorable Rate — and save money on your Fire Premiums.

Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton.
—2000 Agents Across Canada—

BUY CANADIAN

Every purchase of Canadian goods or services contributes to the employment of Canadians and helps both directly and indirectly to provide the funds so essential for the successful prosecution of the war.

The DOMINION & CANADA GENERAL INSURANCE CO.

HEAD OFFICE - TORONTO

Montreal, Ottawa, Hamilton, London, Winnipeg
Calgary and Vancouver

CONCERNING INSURANCE

Good Public Relations Needed

BY GEORGE GILBERT

Although the public continue to buy it in larger quantities than ever before, there is probably no other business in the world so subject at times to misunderstanding and misrepresentation as insurance. A great deal of the criticism of insurance and insurance companies appearing from time to time, while containing a grain of truth here and there, is yet so far-fetched and misleading that it would fall to the ground if the public knew more about the business.

One of the pressing needs of all branches of the insurance business at the present time is a campaign of enlightening publicity—publicity that while laying all the cards on the table as to the effect of existing conditions on the assets, dividends, surplus, etc., will yet bring out clearly the solid and sound financial position occupied by the companies, despite all the adverse factors with which they have to contend at this juncture.

LIFE insurance is popular with the public generally because it is realized that the bulk of the business is honestly conducted on sound principles. It is not regarded as having attained perfection, but the average policyholder with \$3,000 or \$4,000 of insurance is quite confident that the money will be paid without fail when his policy or policies mature as a claim.

He sees the big figures in the financial statements of assets, reserves and surplus, and is convinced that the business is colossal. His belief in the safety of his insurance is based to quite an extent on the magnitude of these financial resources. While he recognizes that his insurance is but an insignificant amount in the grand total of the company's business, he is glad that it is placed with such a powerful institution.

He looks upon the insurance companies as rolling in wealth, and consequently when he comes to decide as a juror between a company with millions of assets, on the one hand, and a doubtful claim made by a widow under a small policy like his own, he does not feel any urge of conscience to protect the funds of the company against any such demands.

While he may have been told many times of the high percentage of the company's assets which belong to him and his fellow-policyholders, he is not even lukewarmly interested, as a rule, in the multiplicity and high rate of the taxes levied upon the companies. He does not feel any more like one of the owners of the insurance company than a depositor in a chartered bank feels like one of the owners of the bank.

Changed Emphasis

There is little doubt, however, that much may be done to arouse his interest and enlist his support in resisting various activities that are detrimental to the business, but it will require a greatly changed emphasis in the publicity efforts of the companies. He would feel differently, it must be admitted, if he could be brought to think of himself and others like him as owners in fact of these companies and not as merely a holder of small policies in companies with millions or billions of dollars of assets.

It is conceded in some quarters that the companies have been placing too much emphasis on the size of their asset accumulations, and that they should dwell more on the amount of the insurance contracts they have undertaken to pay. When the amount of insurance is viewed in conjunction with the amount of assets, it becomes clear that these accumulations are necessities if the contracts are to be paid in full at maturity and are by no means pyramids of surplus wealth lying in the vaults of the companies.

From time to time it is brought home to the insurance companies how much they are dependent upon public sentiment in the matter of legislation. They are inclined to overlook the fact that they are constantly moulding public opinion by their own statements and acts and by those of their sales forces. They have had examples in the past of what follows when public sentiment is aroused by publicized abuses or alleged abuses in the life insurance field as well as in other branches of the insurance business.

Attempts to place unjustifiable re-

strictions or taxation upon the insurance business sometimes succeed simply because the companies have not had public opinion on their side. The lesson to be learned from this condition of things is that a serious effort must be made to win a more widespread public approval, which can only be accomplished by bringing about a better and more thorough understanding of the business.

It is especially necessary that the moulders of public opinion throughout the country, the leaders of the press, should be thoroughly informed as to the functions and operations of the insurance companies—the services they are rendering policyholders and beneficiaries for the money paid in—how they are administering the trust funds under their control—what the cost of running the business is in relation to the premium income, etc.

In fact, the more completely the leaders of the press are informed as to all the vital details of the business, the more assured the companies will be of a fair and sympathetic hearing when they come before the bar of public opinion. It will be difficult for the unscrupulous, irresponsible agitator, or the clever distorter of statistics to alienate the good will of the public if the press is informed as to the principles of sound insurance.

Nothing to Conceal

There is really nothing about such a vital and important institution as insurance which should be concealed from anybody. On the contrary, there is much to be gained by the companies taking the public into their confidence to the fullest extent. While the administration of the business is by no means perfect, yet it will bear favorable comparison with that of any other branch of industry or commercial enterprise.

It cannot be denied that there are numerous instances in the past in which insurance officials have grossly mismanaged company affairs and have dealt unjustly with policyholders and claimants. But what line of business—or what social or religious activity—has not harbored officials who proved recreant to the trust reposed in them? The percentage of such officials in insurance is unquestionably lower than that in any other large business.

One reason for this satisfactory state of affairs is undoubtedly the close and efficient government supervision and regulation to which the transactions of insurance companies are subjected. But it is also due in large part to the high standards, not only as regards technical skill and ability but as to probity and integrity as well, required by insurance companies themselves of all officials charged with the administration of their funds.

As far as protection afforded customers is concerned, there is no other business so well surrounded as insurance by safeguards both within and without. Accordingly, the more enlightenment is vouchsafed the public as to its operations and finances, the greater will be their confidence in the business.

Workmen's Compensation in Ontario

THERE were 5,542 accidents reported to the Workmen's Compensation Board during January, this being 404 more than during the month of December, and 1,026 more than during January a year ago.

The total benefits awarded amounted to \$594,519.39, of which \$488,435.08 was for compensation and \$106,084.31 for medical aid.

Inquiries

Editor, Concerning Insurance:

As a subscriber to Toronto SATURDAY NIGHT, I believe I am entitled to an opinion on the following:

Lumbermens Mutual Casualty Co. & National Retailers Mutual Insurance Co.

I have my automobile insured with these companies and am wondering if they are safe to insure with.

—E. E. M., Edmonton, Alta.

Both the Lumbermens Mutual Casualty Company and the National Retailers Mutual Insurance Company are regularly licensed in Canada, have deposits with the Government at Ottawa for the protection of Cana-



FLORENCE ROBINSON, C.L.U., of the Windsor Branch of the Canada Life, has been elected president of the Life Underwriters Association of Windsor. It is believed by Association officials that this is the first time a lady has been elected to the Presidency of a Life Underwriters Association in Canada. Miss Robinson joined the Canada Life in June, 1931, and has frequently been a production club member.

dian policyholders exclusively, are in a strong financial position, and are safe to do business with. All claims are readily collectable.

Their Government deposits are as follows: Lumbermens Mutual Casualty, \$447,600; National Retailers Mutual, \$138,400. At the beginning of 1939 the total assets in Canada of the Lumbermens Mutual Casualty were \$430,356.96, while its total liabilities here amounted to \$264,253.92, showing a surplus in this country of \$166,103.04.

Editor, Concerning Insurance:

Would you give me your opinion as to the financial stability of the Ministers Life and Casualty Union, with headquarters in Minneapolis.

—C. S. D., Weyburn, Sask.

Ministers Life and Casualty Union of Minneapolis, Minnesota, with Canadian head office at Toronto, has been in business since 1901, and has been operating in Canada under Dominion registry since June 20, 1935. It is regularly licensed in this country as a fraternal benefit society and has a deposit with the Government at Ottawa of \$162,000 for the protection of Canadian policyholders exclusively.

It is authorized to transact life, accident and sickness insurance to the extent permitted by its articles of incorporation, constitution and laws. As it is required to maintain a Government deposit in Canada at least equal to the reserve on its policies in force in this country, it is safe to insure with for fraternal insurance, and all claims are readily collectable.

With regard to its life insurance policies, all forms provide for the levy of additional assessments, but otherwise are similar to standard legal reserve contracts with standard provisions. At the beginning of 1939, the latest date for which Government figures are available, its total admitted assets in Canada were \$191,841, while its total liabilities in this country amounted to \$129,369, showing a surplus here of \$62,472.

Editor, Concerning Insurance:

Would you be so kind as to inform me as to the standing of the following insurance company: State Farm Mutual Automobile Insurance Co., 465 Bay St. Toronto? Are they reliable? I have been a subscriber to your paper for years.

—V. H. M., Toronto, Ont.

State Farm Mutual Automobile Insurance Company, with head office at Bloomington, Illinois, and Canadian head office at Toronto, was incorporated in 1922 and has been doing business in Canada under Dominion registry since April 6, 1938. It is regularly licensed in this country, and has a deposit with the Government at Ottawa of \$103,000 in Dominion of Canada bonds for the protection of Canadian policyholders exclusively.

At the end of 1938, the latest date for which Government figures are available, its total assets in Canada were \$116,257.57, while its total liabilities in this country amounted to \$11,484.16, showing a surplus here of \$104,773.41. Its head office financial statement showed total admitted assets of \$15,702,434.75, and total liabilities of \$11,432,190.51, leaving a surplus of \$4,270,244.24. All claims are readily collectable, and the company is safe to do business with.

THE Casualty Company of Canada
HEAD OFFICE - TORONTO
GEORGE H. GOODERHAM - President
A. W. EASTMURE - Managing Director
AGENCY OPPORTUNITIES
IN SOME TERRITORIES THROUGHOUT CANADA

AGENTS

Reliable Agents wishing to represent this Company, please address applications to Mr. Sword, care of head office in Toronto.

SOUTH BRITISH INSURANCE COMPANY, LTD.

1400 Metropolitan Bldg.,
Toronto



COLIN E. SWORD
Manager for Canada



They Steered by the Stars

To the rovers who steered by the stars every storm cloud was a menace. Today, a future steered just by hope and desire is at the mercy of the unexpected.

To give you known points on which to chart a course, nothing can take the place of Life Insurance. It sweeps uncertainties from your path—leaves you free to concentrate on work or leisure with a tranquil mind.

To own Life Insurance is to know that you will not leave your dependents lacking needed money. It can be arranged to give them an income received with clockwork regularity for as much and for as long as you plan.

THE MANUFACTURERS LIFE INSURANCE COMPANY

HEAD OFFICE

ESTABLISHED 1887

TORONTO, CANADA



As well as the wide protection and personalized service of Northwestern Insurance, all policyholders participate in the savings of the Company.

Every day in the year, under the conservative management of this leading mutual Company, effective fire prevention measures help build savings that are distributed to the Company's policyholders.

Under the Northwestern Mutual Plan, every policyholder saves.

Write or phone for the name of the Northwestern Agent in your territory.

NORTHWESTERN MUTUAL FIRE ASSOCIATION

Toronto - Hamilton - Ottawa - Halifax - St. John - Quebec City - Montreal
Moncton - Winnipeg - Saskatoon - Edmonton - Calgary - Kelowna
Victoria - Nanaimo - Vancouver

Automobile and General Casualty Insurance
AGENCY INQUIRIES INVITED
LUMBERMENS MUTUAL Casualty Company
VANCE C. SMITH, Chief Agent
CONCOURSE BUILDING
TORONTO

A COMPLETE SERVICE for Insured and Agent

Agency
Inquiries
Invited



6 company claims offices in leading centres in Ontario—claim service arrangements in the United States—complete coverage for automobile, fire, teams, burglary, plate glass, cargo, elevator, general liability, and fidelity and surety bonds.

HEAD OFFICE: 199 BAY ST., TORONTO

PILOT INSURANCE COMPANY

Central Europe—Key To Lasting Peace

(Continued from Page 7)

51 per cent. Bulgaria does not know large estates at all, although they existed in the Dobrudja which, after the last war, fell to Rumania. Nevertheless, when the people became restless during the Great Depression, the government decreed the expropriation of large estates, and also of state and municipal agricultural property. Although the measure did naturally not yield much to the small peasants, it was acknowledged as a conciliatory gesture. Bulgaria prides herself on being the only country with parliamentary government (or what goes for it there) which has a peasant, and not an agrarian party. This blessing provides the rural population with an annual income per capita of about fifty dollars.

In Rumania and in Yugoslavia small holdings are likewise, preponderant.

Hungarian Feudalism

But Hungary is the exact opposite. It is (together with Poland) the classical example of an anachronistic feudalism. Of course, if this feudalism were not socially a very ugly picture and a dangerous background, something could be said in its favor from the viewpoint of economic efficiency.

It is well known that large estates produce a higher yield per acre than small holdings. But this applies only to Hungary's chief crop, wheat. And the advantage is, moreover, largely frustrated through the Hungarian decree which forbids the use of mechanical equipment in order to provide working places for as many as possible of the incredibly depressed Hungarian farm proletariat. In spite of this, the yield of the big estates is still comparatively higher than that of peasant holdings.

As another step towards the solution of this burning problem the Hungarian government issued, a year ago, a truly ingenious decree. It expropriated the large estates which lay fallow, and those which were Jewish-owned. If patriotism is identical with barbarism in Hungary, this decree must certainly have raised the spirits of the nation to such heights that they overlooked the fact that this measure provides annually a new area which is less than one half of one per cent of the total agricultural area of the country.

In Bulgaria, Rumania, and Hungary, wheat is the largest crop, although maize (corn) comes very close. Yugoslavia produces more maize than wheat. Here we see the chief difficulties of an economic settlement.

Ten years ago one of the earliest attempts at such settlement occurred; Yugoslavia and Rumania concluded a customs union. It was signed by representatives of the two nations in Sinia on July 30, 1930. Astonished, the world asked, is this the dawn of a new norm in international trade, coming from a quarter whence nobody expected it? And frightened the world asked, will not Hungary see a point against herself in this treaty? What will Italy say? What Germany?

Keep calm, friends. Four days later a commercial treaty was signed by the representatives of the same two states; it was just according to normal pattern. The customs union is still in force, but it has never worked for a day.

An Economic Bloc?

The idea has been very popular for a long time that the six Danubian countries should form an economic bloc. To assess the profit of such an association, let us look at the economic structures of these countries. Four of them are predominantly agricultural, and two, Czechoslovakia and Austria, predominantly industrial. This has created the idea that the whole group would complement each other. The desire outrides it.



F. G. PERRIN, of Oakwood, president and general manager of Hogg and Lytle, Limited, who has been appointed to the board of directors of the Victoria Trust and Savings Company of Lindsay, Ont., to fill the vacancy caused by the death of the late H. J. Lytle. Mr. Perrin was born in the County of Victoria in 1882 and has been associated with the long-established seed firm of Hogg and Lytle, Limited, for 37 years and is widely known in the seed world.

self, then, to ascertain how much of their external trade these countries are doing within their own circle.

For this purpose we have chosen the year 1935, because at that time the relations were not so artificially distorted as they became later on through Germany's trade policy in general, and through the specific trend of her purchases in those countries; and also for a time through the sanctions against Italy. The following table shows the percentage of the six Danubian countries' imports and exports in mutual trade.

	Imports	Exports
Austria	37	31
Bulgaria	22	15
Czechoslovakia	17	21
Hungary	44	32
Rumania	35	28
Yugoslavia	31	33

Hungary was relatively the greatest individual Danubian buyer in the Danubian market, and Yugoslavia relatively the greatest seller. More important, however, is the fact that Bulgaria had to sell 85 per cent of her exports outside this market, a proportion which coincides with her status as the most highly agricultural country in the group.

Integration

Where, then, did the Danubian countries sell the exports which they did not sell in their own circle? Their trade relations with Germany and Italy combined answer this question to a great extent.

	Danubian trade with Germany and Italy	
	Imports	Exports
Austria	21	30
Bulgaria	62	58
Czecho-Slovakia	20	18
Hungary	24	37
Rumania	32	33
Yugoslavia	26	35

The Danubian countries sold, then, between two-thirds and three-quarters of their exports to each other and Germany and Italy, an integration which is, indeed, far-reaching. The only exception is Czechoslovakia; it is due to the fact that her industrial products largely competed with those of Germany, and were not bought by her. The cause of the other striking fact that Rumania and Yugoslavia, though agricultural countries, sold so much in the South and Central European markets is due to oil, in the first case, and to minerals and lumber in the second case.

From these observations it follows that a Danubian economic federation would not solve anything, and that a Danubian political federation could not live for economic reasons. Likewise the difficulty becomes apparent of any solution which would try to eliminate German and Italian preponderance from the Danubian import and export markets; especially if after this war Germany and Italy were prepared to relax their wheat self-sufficiency policies, and became more important buyers of this commodity in Danubia.

A Slav Federation?

The preponderantly agricultural structure of four of the Danubian countries is not only the cause of their economic difficulties, but also the effect of their political difficulties. The Balkan Slavs are of a particularly excitable nature, and many of their thinkers admit openly that free peasants provide good soldiers (and they have always needed many of them), and that at the same time they are averse to revolutionary activities. If this is true, and if one thinks of that hotbed of political unrest, Bulgaria, one asks oneself what this country would look like if its people were not overwhelmingly free peasants. This by the way.

But three of the Danubian countries are Slav: Czechoslovakia, Yugoslavia, and Bulgaria. And outside their circle, but nearby, there is another Slav country, Poland. This racial fact has given rise to the idea of an economic federation which is more interesting, though still more impracticable, than the Danubian federation; the idea of a Pan-Slavic economic federation.

The four countries comprise, apart from minorities, especially in Hungary and Rumania, all Slavs outside Russia. Russia would in any case not be included, if only for her political and economic structure; at least for so long as the other four Slav countries would remain non-bolshevist. If people believed in their own wishful pictures they would have to be surprised that just the country with the freest peasants, Bulgaria, seems to be providing a more fertile soil for social revolution than the other Slav countries. But it would be safer to put this down to the poverty of the Bulgarian peasants.

Fundamental Trouble

The Slav group is another circle of states which are supposed to form an integral economic unit. There are (or were, or will be) industrial Czechoslovakia, semi-industrial Poland, and agricultural Yugoslavia and Bulgaria. The mainstay of the scheme was that Poland and Czechoslovakia should form a customs union, and Yugoslavia and Bulgaria something that would be still closer than a customs union.

But there was one fundamental

trouble. The important coal district of Teschen, which was Austrian until 1918, had after the war been divided between Czechoslovakia and Poland, and both did not like it. It is said that Poland's anti-Czech trade policy had its roots in this settlement. The Czechs did not draw any so detrimental conclusions from this unfortunate drawing of the frontier, but they hoped no less fervently that one day the whole basin would be theirs. In the end Poland got the better of it, but only for a few months, when after the destruction of Czechoslovakia she seized the Teschen coal mines, and kept them until also her doom was sealed.

An advantage which did much to influence the propagators of the Pan-Slavic economic union was that Czechoslovakia could use the Polish Baltic ports with which there were easier communications than with Yugoslav ports.

But it is hard to see how the union could ever have worked, even if Poland had not been stubbornly anti-Czech. Poland's chief industries were textiles and machines. So were Czechoslovakia's. Poland's chief markets were the Baltic countries and Rumania. On account of this competition Czechoslovakia had to sell part of her manufactures in the Far East and in South Africa.

What good would a customs union between them have been? And what

good a customs union between Yugoslavia and Bulgaria? Should Bulgaria have sold wheat free of duty to Yugoslavia?

Two diagonal customs unions would have sounded more plausible; but they would not have made sense from the communications point of view.

If we look at the economic integration of Central Europe and South East Europe, as expressed in their trade figures, there can be no doubt that the root of the whole trouble is purely political. England's and France's trade interests are negligible, so are their financial interests. The same applies to the United States. But the political stakes of Britain and France are enormous.

They would certainly be glad to leave all the influence she wants to Germany, especially as Italy's interests become more concentrated in other regions; for better or worse as far as she herself is concerned. If there were only some guarantee that Central and South East European economic integration would not be used as a jumping board for unrestricted imperialistic aims, the problem is by far not so hopeless as it looks if we regard it from the angle of circle squarers.

So what can we do? Create those guarantees, not on scraps of paper, but in the dimension of new minds and hearts. Through persuasion (gentle and derivative).

FINANCIAL STATEMENT December 30, 1939

MUTUAL BENEFIT

Health & Accident Association

Canadian Head Office: Toronto

A STATEMENT SHOWING STRENGTH, STABILITY AND SERVICE

ASSETS	LIABILITIES
Investments—Bonds and Stocks \$8,472,178.95	Net Provision for Unpaid Claims \$5,451,313.23
Investments—Real Estate 47,312.00	Provision for Investigation and Adjustment of Claims 75,000.00
Mortgage Loans 112,013.83	Provision for Taxes Due or Accrued 245,000.00
Cash on Hand and in Banks 947,338.09	Reserve of Unearned Premiums and Non-Cancellable Policies 2,190,259.72
Interest Accrued 80,148.44	Expenses Due or Accrued 17,429.81
Other Assets 14,300.73	Advance Premiums 10,825.97
	Other Liabilities 6,358.19
	Reserve for Emergencies 1,000,000.00
	Surplus as Regards Policyholders 704,105.12
\$9,700,292.04	\$9,700,292.04

Another Outstanding Record in Accident and Health Insurance

Increase in Premium Income 1939 over 1938 \$2,213,443.48
Increase in Assets 1939 over 1938 2,231,206.89
Premium Income in 1939—\$13,883,046.11

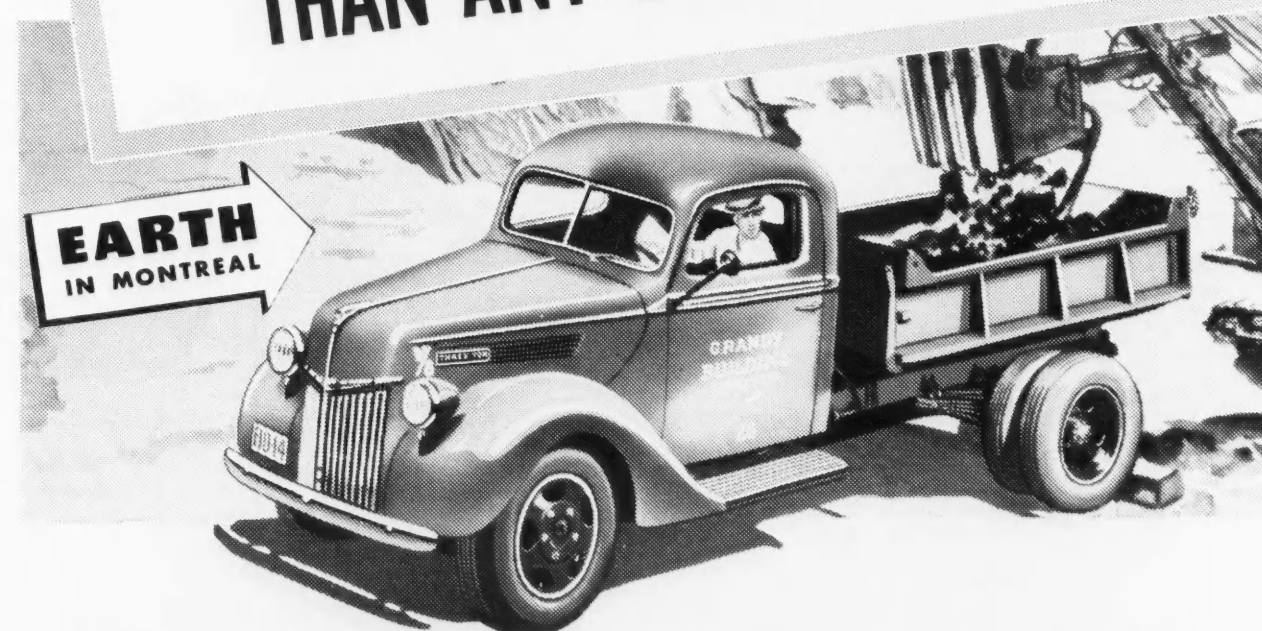
Claims paid to Policyholders and their beneficiaries since inception exceed \$78,000,000.00

C. C. CRISS, President.

L. F. FLASKA, Executive Vice-President.



IN ALL PARTS OF CANADA, ON ALL KINDS OF JOBS
MORE FORD TRUCKS ARE USED
THAN ANY OTHER MAKE!



Look about you and confirm it! Everywhere you go, those good looking Ford V-8 Trucks are serving every kind of business, from the corner grocer with one Light Delivery unit, to the inter-provincial heavy-hauler with a fleet of truck and trailer units.

The fact is—Ford Trucks have led every other make in Canadian sales for every one of the past 5 years, and during 21 of the last 25 years!

You simply can't beat Ford power and economy for all-round trucking. Truckers know it. They'll tell you that Ford trucks haul heavy loads faster and more economically because Ford V-8 Truck engines develop high torque over a wide range of engine speeds—speeds at which truck engines operate most of the time—speeds at which greater engine economy is obtained. That valve grinding is not required up to 40 to 50 thousand miles,

because tungsten steel inserts are used on both intake and exhaust valves. That freedom from repairs, long life, and reliability are assured by the Ford full-floating rear axle with straddle-mounted pinion. That feature for feature—Ford Trucks challenge comparison with any other truck at any price!

See your Ford Dealer about your truck needs. Accept his invitation to make an "on-the-job" test of the Ford unit your work requires!



88,000 Canadian workers and their dependants benefit because Ford Trucks are made in this country. When you buy a Ford Truck, more of your money stays in Canada.

FORD V-8 TRUCKS

Will America Scuttle Democracy?

BY W. C. CURREY

A FEW weeks ago Oswald Garrison Villard, editor of the *Nation*, astonished many Canadians when he stated in Toronto that a declaration of war by the United States would plunge that country under Fascist dictatorship. The opinion was criticised sharply in an editorial of the *Toronto Daily Star* "because such views seem to misrepresent the sentiments of the great majority of the people of the republic and reflect upon their intelligence and traditions, besides being indescribably stupid. . . Mr. Villard's opinion unwittingly slanders his country."

The *Star* apparently overlooked the possibility that Mr. Villard based his prediction on facts. If he was indiscribably stupid and slandered his country in saying what he did, then many of the ablest United States Congressmen, leading magazine and newspaper editors, and informed public men, including Mr. Herbert Hoover, are guilty of the same charge.

"The great majority of the people of the republic" have not been consulted in the preparation of the Mobilization Day Plan. Only by accident have their highest elected representatives discovered in this instrument a minutely conceived plan to subject the country to a rigid totalitarianism alongside of which the Communazi aspirations disclosed by the Dies committee are piffling.

The National Defence Act charged the War Department to make "adequate provision for the mobilization of material and industrial organizations essential to wartime needs." Acting under this innocuously worded authority the Department privily worked out a series of bills known as the Mobilization Day Plan which provides for the instant establishment of a military dictatorship over every phase of national, business and personal life. The first set of these bills was all cut and dried as far back as 1933—before Hitler had infected his people with national rabies; before any serious menace to the democracies came into existence!

Last Minute Rush

It is possible that the implications of the M Day Plan might have remained a War Department secret to this day had not Senator Clark of Missouri and his colleagues, during

the munitions investigation, subpoenaed its production. Not till then did United States Senators learn of the existence of unpresented bills filed with the War Department, designed to put the plan into effect, but not intended to be seen by Congress until after declaration of war.

That the bills were not intended to be sent up to Congress was admitted by General Charles T. Harris, the representative of the War Planning Board. They were to be held in abeyance until such time as Congress would not dare enter into any careful scrutiny or extended debate; then to be rushed through, as Senator Clark says, "under whip and spur," without any questioning of the wisdom of the plan.

After Senator Clark became familiar with the plan he introduced those bills in the Senate. He was not in favor of any of them but he wanted to open them to debate and bring them to the attention of the country. He then referred them, with adverse reports, to the munitions committee.

The plan was revised and introduced in the Senate in 1936. It appeared again during the neutrality debate in 1939, but was modified in no essential provisions. "The plan of 1939 is a little more reticent," says Senator Clark. "They do not want to have a plan that is quite so outspoken, which some Senate Committee or House Committee could get hold of and expose to the public view before the time they wish to send it up to Congress."

The 1939 version of the plan is a document of 231 pages, 212 of which deal with raising the sinews of war; fewer than twelve are required to set up a military dictatorship over the civil population. The plan encompasses: price fixing; priorities control; compulsory orders; commandeering of materials and plants; licensing; apportioning commodities and raw materials. Herr Hitler might envy such powers as these!

By "priorities control" a Government board can put a man out of business or destroy his investment if he does not jump when Washington cracks the whip. "Think of the ramifications," says Senator Clark. "If the wartime administration does not like the editorials a certain news-

paper is printing, and wants to hush it up, it can hold up deliveries of newsprint or printer's ink. . . It can say 'No more ink—it's needed elsewhere,' and that paper will be forced to stop printing."

The War Department will have the power to require all or any class of persons in a managerial capacity in any "technical, industrial or manufacturing plant or establishment of any kind whatever" to register; they may be inducted into military service and if refractory may be court-martialed.

Not only has the common citizen been kept in the dark as to details of these preparations but United States Senators have been unable to procure what purport to be public documents. A mimeographed copy of the plan is unobtainable. "I have seen one," declares Senator Clark, "but I have not been able to come into possession of it. It is supposed to be a public document; but it is impossible, and was from the very time it was made a public document, for anybody to obtain a copy from the Government Printing Office."

The Army's Bible

In February, 1939, a book, "Adjusting Your Business to War," was written by Leo M. Cherne. This book may be taken to be the Bible of the Army mobilization plan. It is officially approved by the War Department and contains a eulogistic foreword by Assistant Secretary of War Johnson. This work was written for a close list of subscribers; it is not for sale at any book store nor to be found in public libraries. Senator Clark tried to buy one: "It was not intended for the perusal of such as I. It was put out at the very large price of \$6.50 a volume for distribution to a limited number of subscribers, and was not for sale, even at \$6.50 or \$10, to such men as United States Senators who might be interested in finding out the implications of the War Department's program."

But now that Congress is apprised of the dire significance of the M Day Plan and the floodlight of publicity has informed intelligent American opinion, is it likely that Congress could be stampeded into passing a measure that will extinguish every vestige of traditional democracy? Will the strategem of rushing through a bill when it is presumed no legislator will dare to raise his voice to question the measure for fear of being branded unpatriotic, traitorous, pro this or anti that, succeed? Could Congress now be induced to scrap the Constitution, scuttle Democracy, and incidentally commit hara-kiri by abdicating their posts as representatives of the people in favor of government by decree and military autocracy? The plan is not yet law. Congress may balk.

President's Powers

Mr. Cherne is by no means cast down or dismayed by the prospect of this contingency. On pages 114-15 of his book (I quote an excerpt from the Congressional Record) he points the way out: "The fact that Congress has not yet granted these powers is . . . not of paramount concern. It must be remembered that the President . . . has what is commonly referred to as the 'war powers of the President,' the great reservoir of authority which the custom of this country has permitted to be used as the emergency may require. These powers have not been completely defined in law . . . are not only indefinable but beyond practical limit. The wartime powers of the President as exercised by Woodrow Wilson during the World War would have been ample to secure the immediate and complete application of the industrial-mobilization plan in all of its details without a single enactment by Congress, if this were considered desirable in an emergency."

No one knows, it seems, the extent of the President's powers when he decides to proclaim a state of emergency to exist. Senator Vandenberg, with the unanimous backing of the Senate, asked the Attorney General of the United States to define these powers. Either because he could not or would not the Attorney General refused to answer.

That, very briefly, is the situation. In the great American republic Democracy hangs by a hair. The scene is set; it requires but the word of one man to shear Congress of its power, strangle popular government, and usher in a totalitarian régime, which may, as Mr. Hoover prophesies, endure "for a generation afterward, if not forever."

Company Reports

PORTAGE LA PRAIRIE

THAT 1939 has been one of the most satisfactory years in the long history of the company, was the highlight of the annual report given to policyholders of the Portage la Prairie Mutual Insurance Company at Portage la Prairie, M. G. Tidsbury, president, presided.

This, the 56th annual statement, was one of the best ever presented, Mr. Tidsbury said, and disclosed that the company now has fire insurance in

force to the amount of \$77,317,131, that the amount of insurance in force has increased by over 3½ million dollars since the last annual meeting, while collections have been excellent, indicating a higher class of business underwritten. The company is the largest single underwriter of fire insurance in Manitoba.

The company now has \$3.00 worth of assets for every \$1.00 of liability. Surplus has been increased by \$27,967 and in addition \$13,052 has been set aside as reserve for fluctuation in the value of investments. Special contingency reserve has been increased by \$5,000. Company reserves have been strengthened by the establishment of a contingency fund to take care of any unexpected liability.

SOVEREIGN LIFE

A YEAR of progress and improvement, such as has been the consistent record of the Sovereign Life Assurance Company in recent years, is indicated by the company's annual report. Premium and annuity income increased to \$1,034,510 from \$933,825 in 1938; total cash income increased from \$1,455,227 to \$1,548,220; to policyholders and beneficiaries was paid or credited the sum of \$1,058,067 as against \$1,011,881 in the previous year; actuarial reserves increased to \$6,447,707, an increase of \$436,055 for the year. Total admitted assets reached the sum of \$7,655,351 from \$7,169,820; and business in force now amounts to \$32,525,957.

Why this bank should be

YOUR BANK

Unquestioned security—helpful banking counsel—unexcelled facilities in every department of domestic and foreign banking service during 122 years of successful operation.

A bank for savings, for business, farming and personal loans, for travel funds, for credit and transfer operations, for import and export transactions, for financing domestic and foreign trade.



BANK OF MONTREAL

ESTABLISHED 1817

A MILLION DEPOSIT ACCOUNTS DENOTE CONFIDENCE

A109

The increased resources of the company have been used to strengthen its financial position in the following particulars: to increase policy and dividend reserves \$424,629; to further provide for investment contingencies \$29,139; to increase special reserves \$11,339; and to increase free surplus by \$20,384, bringing this latter amount available for additional policyholder protection to \$137,714.

The sound investment policy of the company is shown by the diversification of its securities, these being distributed as follows: total invested as-

sets are \$7,231,468 of which 12.3% is in government bonds and debentures, 3% is in the bonds of Canadian cities, 3.2% is in towns, townships, etc., 3.3% in schools and telephones, 6.4% in public utility and railway bonds, 8.7% in industrial bonds, 7.2% and 9.2% in well selected high grade preferred and common stocks, 11.5% in first mortgages on city properties, 11.7% in first mortgages on farm properties, 10.9% to policyholders on the security of their policies, 1.5% in cash. On these assets the company earned a rate of 5.14%.

Edison's Streamlined Miracle . . .



1. Disappearing Cover

2. Concealed Correspondence Compartment

3. Safety Signal Light

4. Truvox Balanced Recording

5. One Square Foot of Floor Space

brings a new beauty to your office

A miracle in your office? Yes! Engineers schooled by Thomas A. Edison himself have enabled you to perform a miracle with one square foot of floor space. In a twinkling this brand new Ediphone transforms your office into a modern room.

A shaft of simple beauty—it becomes the central point of design. From its scientifically designed "sure-footed" feet to the disappearing cover, it is streamlined perfection. But more miracles happen! You become a changed man once you take up Edison Voice Writing. You discover time to do more—you

double your present capacity for important work. Details . . . routine . . . they melt away!

It's now no trouble to remember (the Ediphone remembers things for you). Amazingly, too, your secretary's disposition improves (she can work without interruption). This new floor Ediphone ends for you the office "war of nerves." Hear more about it! Telephone the Ediphone (your city) or write

THOMAS A. EDISON OF CANADA, LIMITED

610 Bay Street, - TORONTO - EL 4114
Sun Life Bldg., - MONTREAL - M.A. 6161
Sales and Service Offices all over Canada.

SAY IT TO THE



Ediphone
EDISON VOICEWRITER

• FORERUNNERS OF THE TELEPHONE •



"THAT HIS OWN CITY BE AWARE OF HIS VICTORY..."

● The use of homing pigeons to convey messages goes back to the time of Solomon. 700 years Before Christ the Greeks employed them to carry news of an athlete's victory in the Olympic games to "his own city".

Today, the Dominion-wide circuits of the Trans-Canada Telephone System are always ready to play their part in carrying your message by word-of-mouth, to any part of the world where telephone service exists. Connections are quick and clear, and rates surprisingly low.



TRANS-CANADA TELEPHONE SYSTEM

THE BELL TELEPHONE COMPANY OF CANADA

SATURDAY NIGHT

TORONTO, CANADA, FEBRUARY 24, 1940

Canada's Pulp and Paper Builds for Future

Newsprint's Move from 1929 Feast to 1933 Famine—Its Slow but Steady Progress in the Past Six Years in Overcoming Past Mistakes — A Prosperous 1940?

A Cycle in Newsprint History

BY R. W. FINLAYSON

UNTIL recently it has been common practice for Canadians to depreciate the position and efforts of their all-important newsprint industry.

A reader of our daily papers would presume from the amount of space allotted that gold mining was the "be all," and "end all" in the Canadian economy. He would know about average ounces of gold recovered and stated ore resources, but not about profits per ton of newsprint and timber holdings; of the tremendous importance of Kirkland Lake and Noranda, but not of the position occupied by Iroquois Falls and Three Rivers; of the seemingly endless ounces of gold raised from and returned to the ground, but not of the millions of tons of newsprint produced annually which are an absolute necessity to the economic life of our own, and so many foreign countries.

We have all heard of the protection which must be given our gold mining group so as to buttress the position of our currency in the foreign exchange marts; but the fact has not been emphasized that in Canada's 1938 fiscal year newsprint was the most important commodity exported from our shores. Newsprint exports that year were valued at over \$120,000,000. Wheat was in second place, and gold third; the latter had an annual value of \$86,000,000. Again it is not commonly known that this industry's consumption of electric power, 40% of the Canadian total, is many times greater than that of any other Canadian industrial group. Canada's newsprint exports are now double that of the rest of the world combined and her production represents over 40% of the world's total.

Hiding Newsprint's Light

One reason for this deplorable ignorance concerning newsprint, Canada's greatest manufacturing industry, is partly attributable to the members of the industry themselves. Although the Newsprint Association is to be commended on the completeness of its statistical reports, its individual members have adopted a policy of hiding their light under a bushel. The mining industry advertises its progress. One is constantly reading of new records being established; monthly reports of production and profits are being released by nearly all the companies and published in the papers, but the newsprint fraternity have long lacked publicists. As a group in these matters they can be classed with the least progressive industrialists.

One result of this policy has been that people who wanted to discredit

Undeservedly the efforts of the Canadian newsprint industry have been usually either depreciated or, what is worse, ignored. The Canadian public and its investors are not fully aware of the great steps that have been taken and the mistakes that have been erased since the depths of the 1932-1933 depression. It is true that these accomplishments have not been as outstanding as, say, gold mining, but the leaders of the industry can well be proud of the progress that has been achieved.

There are still many dangers ahead but newsprint enters the new year in a strong, flexible position, ready to take its proper, proud place in the Canadian economy as Canada's greatest manufacturing industry. It may well be that life will begin for newsprint in 1940.

The author, Mr. Finlayson, is associated with The Dominion Securities Corporation, Limited, and also with White & Haldenby, who are members of the Toronto and Montreal Stock Exchanges.

the methods adopted by the industry have had no trouble airing their views. Until recently the newsprint leaders did not trouble to hit back and advertise their true position.

The "hush hush" attitude taken in regard to the prorationing policy, although here provincial government leaders may largely be responsible, is a case in point. No one questions the wisdom of prorationing oil production in Turner Valley, yet the same argument, that of conservation of natural resources can be used just as strongly to justify the action taken by newsprint producers.

However, the main reason for the lack of public interest has been that most people have believed that the

sounder if of less romantic vision.

Another reason for the lack of trust and adequate knowledge among investors is due to the erratic and often unavoidable swings from depression to prosperity and back which come over the industry. Newsprint securities represent one of the most volatile groups listed on the Canadian exchanges, because their prospects can change almost over-night. The situation prior to, and after the outbreak of war in September 1939 can be taken as a case in point.

Improvement in Position

The industry had been slowly, but surely, emerging from the depths of insolvency ever since the 1933 depression. (See the accompanying chart.) Many constructive and far-reaching steps, which had largely been overlooked by the public, had been taken since that year. The price of newsprint paper which had for a long time been kept at an unjustifiably low level had been advanced, perhaps too abruptly, from \$40.00 to \$50.00 a ton; the oppressive interlocking contract system had been largely abolished; the stock inventory position was again normal after 1937's artificially high levels, and production which had been kept at a very low rate in 1938 and part of 1939, because of just this stock situation, was gradually beginning to advance under the impetus of better demand from United States. The period of consolidation from 1933 to 1939 is shown on the chart.

The efficiencies of newsprint plants had also been greatly increased. They had even started to put their financial houses in order as inventories had been cut, costs reduced and current liabilities eliminated. In fact even the problems attendant on the ever-present bogey of overcapacity had not

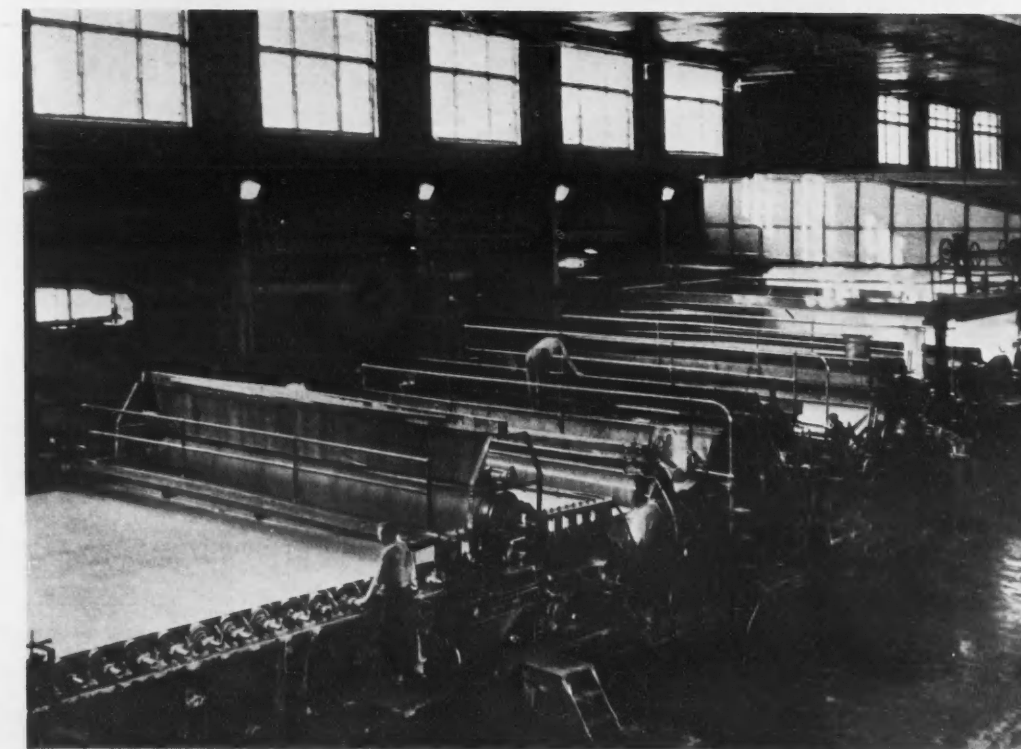
(Continued on Page 21)



MEN BEHIND YOUR NEWSPAPER. Here in this typical bunkhouse are fellers, cutters, sawyers, snakers, teamsters, tractor-men and drivers. Size of doors, windows, and amount of ventilation per man per hour are all fixed by law.



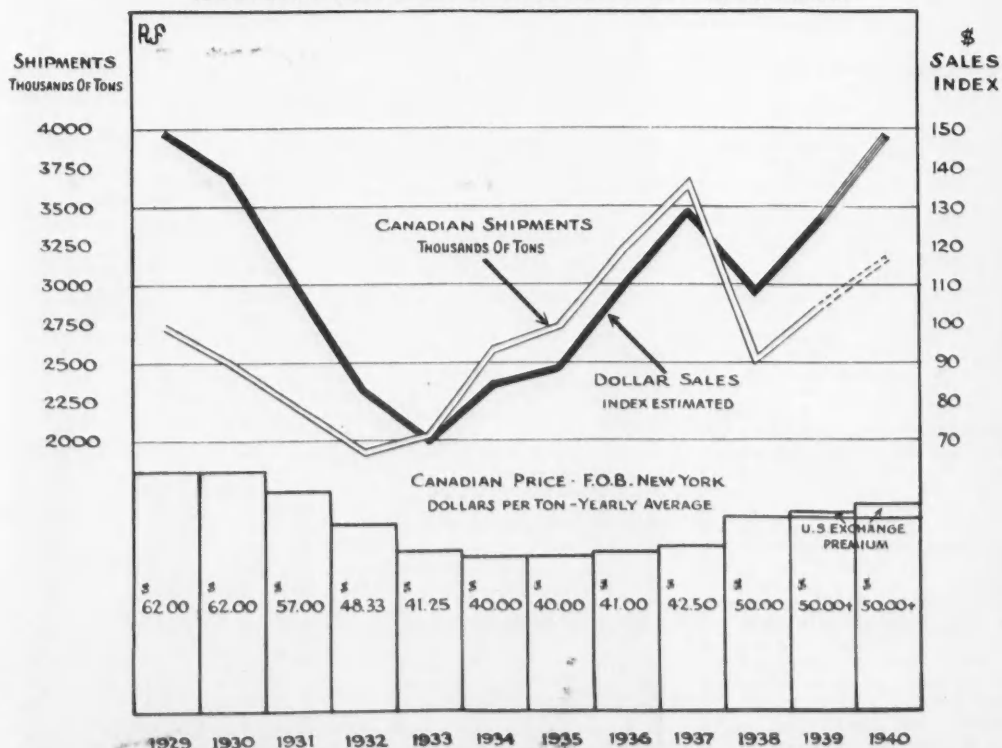
LOGS AND MORE LOGS are the need of the pulp and paper industry. Processing this wood into pulp increases its value as much as seven times. Canada, with wide areas of pulpwood not yet exploited, can greatly increase her production.



THE FOURDRINIER or paper machine receives the stock as 92% water. On it water is removed by gravity and suction, fibres are precipitated and the sheet given a preliminary smoothing. Steam-heated driers leave only 7 or 8% of moisture. —Photos by Margaret Bourke-White.

CANADIAN NEWSPRINT SHIPMENTS, PRICE AND ESTIMATED DOLLAR SALES - YEARLY 1929-1939.

1940 FORECAST BASED ON CONTINUATION OF WAR AND U.S. EXCHANGE PREMIUM.



CONTRARY TO WIDELY HELD VIEWS, the course of Canadian newsprint statistics has not been consistently down. As can be seen in the Chart set out above, the tonnage trend reversed its direction in 1932 and the dollar sales index in 1933. The advance was interrupted in 1938 when the industry paid the price for the abnormal, 1937, inventory inspired rise. However, total industry dollar sales in 1940 may well approach or even exceed 1929 highs. A warning should be given here, however, because, due to the increase in capacity and the number of non-prorating mills, it is very unlikely that many of the commercial companies will this year attain the 1929 level of prosperity.

DEPENDABLE CHAIN

FIRE WELD Lap Weld ELECTRIC WELD Butt Weld

In all Qualities

WELDLESS CHAIN of many patterns—for many purposes.

The complete CHAIN LINE from Ship's Anchor to Plumber's Safety

Enquiries for manufacturers' special requirements receive prompt and immediate attention

DOMINION CHAIN COMPANY, LIMITED,

Niagara Falls, Canada

CAPITAL FOURDRINIER WIRES

The Capital Wire Cloth & Manufacturing Company Ltd.

Ottawa Est. 1912 Canada

A Backward Glance at Achievement A Pledge for the Future!

Founded in 1912 by the CHICAGO TRIBUNE, this company has operated continuously for 26 years to supply newsprint exclusively for the CHICAGO TRIBUNE and its affiliate, the DAILY NEWS of New York.

This steady growth, due to the progressive and conservative policy of its sponsors, is a pledge for the future to the communities of the Niagara Peninsula, the Province of Ontario and the Dominion of Canada for the distribution of wages and the purchase of consumable materials.

THE ONTARIO PAPER COMPANY LIMITED

Mills: Thorold, Ontario.
Pulpwood Plant: Heron Bay, Ont.

Subsidiary: The Quebec North Shore Paper Co.
Mills: Baie Comeau, P.Q.
Pulpwood Plants: Shelter Bay and Franquetin, P.Q.

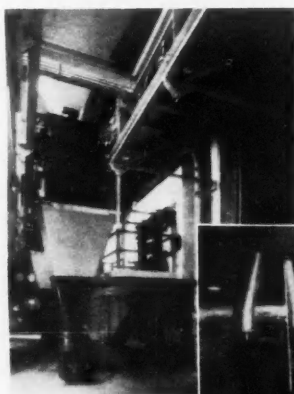
MODERNIZATION

with B & W "INTEGRAL FURNACE" BOILERS
and B & W PULVERIZERS for direct firing

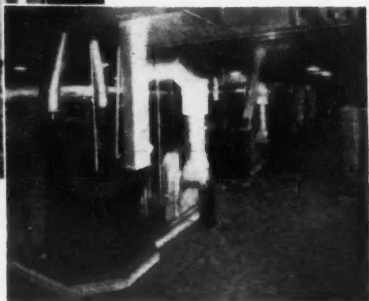
CONSOLIDATED PAPER

BELGO and WAYAGAMACK MILLS MODERNIZE

for more steam at less cost



Above: Front of boiler showing feed hopper and chute in pulverizers below the floor. Right: Pulverizers.

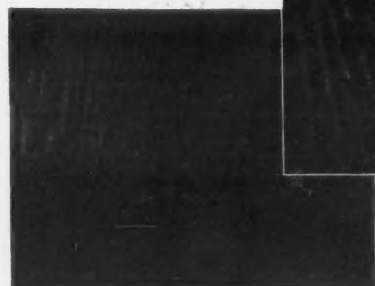


With the exception of some difference in heating surface the new steam plants at Belgo and Wayagamack are almost identical. Each consists of:

2 — Babcock-Wilcox & Goldie-McCulloch Type F "Integral Furnace" Boilers with half-hopper bottoms, designed for a pressure of 650 lbs. gauge.

2 — B-W & G-McC tubular air-preheaters with soot hoppers. Tubes 2 1/2 ins. x 14 ft.

4—B-W & G-McC Type B Pulverizers with automatic table feeders. Capacity 2.8 tons per hr. coal with 14% moisture. Motors 75 h.p.



Above: Burners. Left: Rear and side walls of water-cooled furnaces. Note cleanliness of walls.

Full details concerning the many advantages of the B-W & G-McC Direct-Firing Pulverized-Coal System will be promptly supplied on request.

BABCOCK-WILCOX & GOLDIE-McCULLOCH LIMITED

GALT BRANCH OFFICES ONTARIO

TORONTO MONTREAL WINNIPEG VANCOUVER

Newsprint from Southern Pine an Increasing But Not Serious Competitor

SOUTHERN pine forests of the United States have harbored a pulp and kraft paper industry for thirty years, but the first mill for newsprint in the South was constructed at Lufkin, Texas, just last year. It has just entered production.

Human starvation was the force correlating modern technological improvements with the government assistance given to locate the new industry. Declining markets for cotton have resulted in the abandonment in the last four years of 16,000,000

acres of cotton land, the equivalent of five hundred thousand year-long jobs.

As a whole, over the South, farm lands are being abandoned three times as fast as they are being cleared for farm use. Wood is the only paying crop many of them will grow.

"The South needs a pulp and paper industry," the American Institute of Economic Research was told by Captain I. F. Eldredge of the Southern Forest Experiment Station at New Orleans. Pressed for an explanation, Captain Eldredge, who is the regional director and a member of the U.S. Forest Service, outlined the situation to the Institute's researchers:

The Southern Attitude

"Newsprint and the pulp and paper industry can't help coming south because of the wood here, the shipping facilities, and the cheap labor."

"There are many sections of the South where a pulpwood market for small-sized low grade timber would be a godsend. To the lumberman who owns his timberland and wants to produce successive crops of timber for his sawmill, a good pulpwood market spells the difference between success and failure—for with it, he can comfortably carry his forest, through the sale of pulpwood from thinnings and intermediate cuttings, while he is growing his final timber stand to sawtimber size and quality."

"Here we are, in the South, with 63% of our land in timber and three-quarters of that timber young growth under 13-14 inches diameter breast high. Desirable as it is to grow sawtimber, not all of us can wait the 20 to 40 years to do it. If timberland is not to be dumped back on the States by the millions of acres, some way must be found to realize on this young stuff, so that it may pay its taxes and carrying costs. Furthermore this abandoned land must be reclaimed to furnish a livelihood and opportunity to millions of our people for whom employment is hard to find—and I don't know whether we can wait forty years for that, either."

There you have the Southern sentiment behind government assistance in the construction of a Southern newsprint industry.

More Forest Lands

The forest area of the South is 212,000,000 acres. Add to these over a hundred million acres of cut-over land and 25,000,000 acres of abandoned farmland, and it is easy to see that the extents of forest lands in the South are going to be much larger than they are.

Unemployment in these waste areas is causing an intensive search for manufacturers willing to go South and enter production. The reason is plain. Seven million cords of pulpwood were produced in America for 1939. A potential supply of 7,500,000 cords, or a third of the estimated future requirements of the country, could be grown in this single Southern region.

Of the forest land 126,000,000 acres have been surveyed—a southern third of South Carolina, all of Florida, Georgia, Alabama, Mississippi, Louisiana, the pine regions of Texas and Oklahoma and almost all of Arkansas. These states hold 990,000,000 cords of sound growing stocks, 540,000,000 cords of them Southern pine.

For 1939 the fairly accurate estimate of the total drain in forest products from this region was 24,600,000 cords of pine for non-pulping use. On the basis of a third of a cord of pine per year average annual net growth (not the established figure, it could be closer to 1/2 a cord) the total growth increment of pine in the three regions of the lower South would be about 27,000,000 cords. It appears that there are 2,400,000 cords of pine increment to meet the annual requirements of the pulp industries in these regions.

Forest Impoverishment

All the southern sulphate mills, not counting any newsprint mills existing or to be built, now have a capacity of 4,500,000 cords a year. And there are at least 30 mills operating in kraft paper, including eight plants of the Southern Kraft Corporation. These mills are crowded around shipping points out of proportion to the supply of available wood. At Ferdinand, Florida, are located the mills of the Ferdinand Pulp and Paper Corp., Container Corporation of America, and Kraft Corporation of America, and the new \$8,000,000 mill of Rayonier Inc. for sulphite pulp. Seven of the mills are in Louisiana.

When the market justifies it, and these mills are cutting to capacity, there is not enough wood to sustain their annual production if fire and disease do not also interfere, and it is correct to say that these mills are cutting more than the annual growth in their vicinity, due to the heavy concentration of mills about favorable shipping locations. The production of newsprint in the South must be accompanied by extensive reforestation which the United States has not the stock of nursery plants to accomplish. Natural seeding, silviculture, and reforestation and conservation, may catch up with the lag by the end of this century.

Meanwhile Southern forests are being impoverished as have been those of the Northeastern United States, where publishers import two-thirds of their newsprint and also form a compact group providing Canada's major market.

R. K. Winter, of the Southern Forest Experiment Station, commenting on the crowding of mills, gave his opinion to the Institute that the new plants of the kraft industry were not located after consideration of the ability of the Southern forest to meet their needs. "Forest survey data," he said "indicate in southeastern Georgia that there is a serious threat of overcutting, and that this condition exists in other portions of the South."

His conclusion was that there will probably be conflict between the paper industry now on the ground, any entering newsprint mills, and the existing industries in those places where new pulp mills are being considered or have been erected. A further deduction is that with the cut for sulphate pulpwood heavy, the cut for newsprint cannot be large.

Mr. Winter also forecast the planning of conservation for the South. Southern forests now supply many other more valuable products than pulpwood. They grow lumber, poles, piling, railroad ties, fuel wood, etc. Extensive cutting of pulpwood has already alarmed the pole men to the point of active competition with pulp companies for wood. The South, in sum, cuts 43% of American lumber for the largest lumber consuming country in the world.

Then 35% of the forest region in the deep South (50,000,000 acres) is producing naval stores. The turpentine and naval stores industries are concentrated in the south because of the rosin content of Southern pines.

The Hale report (of the U.S. Forest Service, 1935) is the modern assessment of possible contributions of U.S. forest regions to prospective pulpwood requirements in the nation. In thousands of cords, by process of manufacture, a part of it reads:

FOR MECHANICAL AND SULPHITE PROCESSES

Region	Total	Total	For Newsprint	For Other Uses		For Soda and Semi-Chemical Processes
				Soft Wood	Hard Wood	
New England	3,250	2,600	1,000	400	1,200	500
Middle Atlantic	1,500	1,200	200	300	800	250
Lake	3,200	2,200	400	800	1,000	400
Central	500	500	—	—	500	—
South	7,500	4,000	2,000	1,000	3,200	300
Pacific Coast	7,050	6,000	2,000	4,000	—	50
North Rocky Mountain	250	250	150	100	—	—
South Rocky Mountain	250	250	100	150	—	—
Alaska	1,500	1,500	750	750	—	—
TOTAL	23,000	18,500	6,600	7,400	4,500	1,000

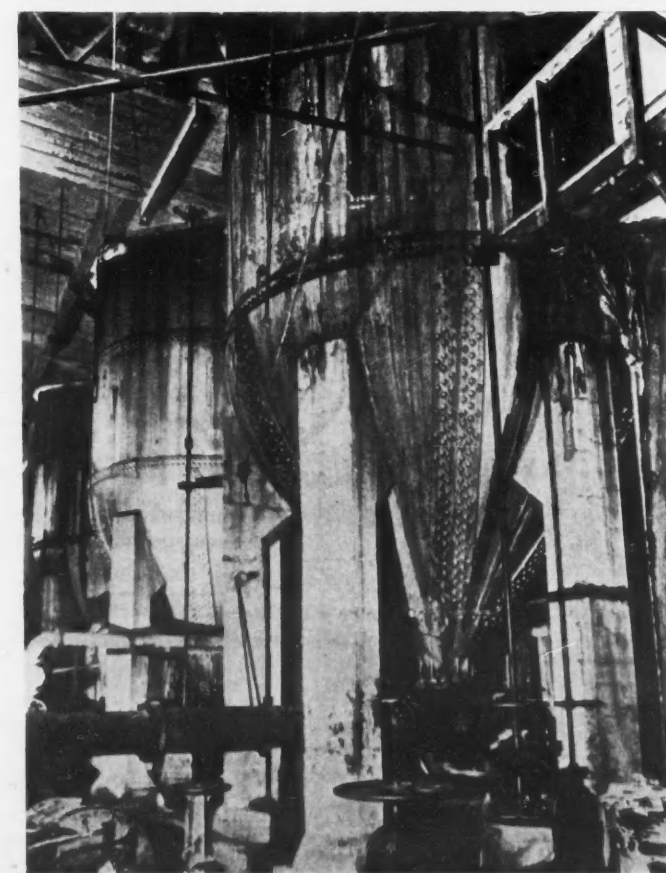
This table also demonstrates to Canadian manufacturers where the markets nearest their regions lie.

Southern lumbermen are now affected more than any other industrialists by the Wage-Hour Law, which

and \$40,000 for taxes. Such charges can be offset by a nice annual return of \$75,000 from rosin and turpentine which is not present in such commercial quantities in Canadian conifers. (Continued on Page 18)



CHIP STORAGE. The logs are reduced to chips, large quantities of which are stored in fire-proof bins, to be used when the log run ceases in the winter.



DIGESTERS. Here the pulp is treated chemically to make sulphite, the long fibre pulp. Good newsprint is 20 per cent sulphite and 80 per cent groundwood. —Photos by Margaret Bourke-White.

A Great Employer of Men and Materials

FIRST sight of the leading manufacturing industry in Canada is impressive from sheer size. Travelers coming upon huge four-story mills close to water and the forests, fed by heavy power lines, linked by busy railroads with their markets cannot help but wonder at the size of log piles drawn from the surrounding district, the length of shunting supply trains, the 24-hour activity. But the tale of the \$114,000,000 spread by pulp, paper and newsprint for men and materials only begins in the bush.

It is in lives rather than size that the impact of newsprint and pulp—of an industry's production, brains, and money—on Canada's latitudes resolves most clearly to progress.

Everyone knows what you mean when you say 'Newsprint' at Liverpool, Nova Scotia, or at Dalhousie or Bathurst, New Brunswick, at Temiskaming, Baie Comeau, Gatineau, Thorold, Shavinnigan Falls, Kapuskasing, Donnacona, Kenogami, Fort Frances, Powell River.

In Atholville, Chemin du Lac, Smooth Rock Falls, Nipigon, Pont Rouge, St. Basile, Heron Bay, Port Alice, Woodville, Lachute Mills, Strathcona, Glen Miller, New Westminster, and other places across the Dominion with postoffice populations of four hundred to two thousand, pulp mills are the things men live by, their work, their reason for being there with their families, for building, hoping, and logging the tough forests mile on mile.

Homes and Schools Too

Homes with gardens, churches, schools, playgrounds, even golf courses and whole towns are end products of the industry too. From the weekly Boston News Letter of 1704, two pages, 9 x 12 inches, 300 subscribers, the United States has come to absorb each year 75% to 80% of the newsprint Canada produces and 77% of our paper shipments. Two thirds of the paper consumed in the United States each day is either manufactured in Canada or made from wood pulp exported from this country.

In the past Canadian cities grew because they occupied favorable sites for trade, on lakeshores, at the junction of rivers, of the meeting points of rail lines. Ordinarily cities lived on their surrounding farm populations which had to be built up slowly by immigration. Today Canada doesn't grow like that. We locate our resources and drop towns bodily upon them to exploit them. Complete in themselves, isolated by necessary forests from other population, these towns dot six of the nine provinces from Atlantic to Pacific. Twenty-four companies engaged in making newsprint in Canada operate 21 mills in Quebec, 14 in Ontario, two each in New Brunswick and British Columbia, and one each in Manitoba and Nova Scotia. Many of them are located in self-supporting mill towns which depend on newsprint.

Modern and precisely engineered, Canadian towns producing a higher quality of newsprint than elsewhere on this continent puzzle people from other parts of Canada, who happen upon them full blown in frontier surroundings. Yet Canada expands in just such fashion—through plans laid in the offices of our established cities, on grounds provided by our governments, and financed by private capital with foreign markets.

Of Canada's four great industries, agriculture, mining, electric power, and forest products, all but the power are largely dependent on export markets. Newsprint is important to the Canadian economy as an export and source of foreign exchange, as an employer of labor, purchaser of other Canadian materials and services, and field for capital. Canadian forest industries are centered in lumber, pulp, and paper. Of course, newsprint has represented 75% of total Canadian paper production by value, nearly 60% of total pulp and paper production, and nearly 40% of the total dollar output of Canadian forest industries. At the present time its sales abroad represent about 60% of total Canadian exports of wood, pulp, paper and related products. Canada supplies 41% of world's newsprint.

There are 99 paper, pulp, or pulp and paper mills in this country, making work and making towns. Newsprint's employees number 30,000 in Canadian mills of the entire 40,000 in the North American continent, and 70,000 in the bush. Woods and mill work provide so much employment that the welfare of the industry as it affects the livelihood of Canadians directly interests our provincial governments.

Wealth from Forests

But forests do more than that for us. The 819,240,000 cubic feet of pulpwood cut each year amount to only \$48,468,000 of the \$134,804,228 Canada receives from the total 2,702,766,000 cubic feet of all sorts of wood taken annually from our forests. Forests provide sawmills with logs. The farmer takes fuel, poles and fence posts from them. The railways, ties, industry, the wood for distillation, for charcoal and excelsior. Christmas trees, dock piling, maple sugar, balsam gum, cascara, tanbark, even the sale of moss, are all ways of extracting money from the woods and give a total of 90,000 man-years of employment. Pulpwood brings in more than any of them when it is made into paper.

When the nod is given, air surveyors photograph a large piece of timberland. More than 1.1 cords of wood go into a ton of paper and a permanent supply must be had. Forest engineers locate the kinds and quantities of timber, the swamps, barrens, streams, lakes, hills and valleys, draw contour lines, and estimate the costs of logging each geographical unit.

Plant location is determined by the co-ordination of wood supply, power, and facilities for shipment of the product. A 300-ton per day mill uses at least 100,000 cords of wood a year. It requires a supply of 150,000 gallons of water to produce one ton of newsprint, and paper is made at the rate of 12-15 miles an hour. Newsprint mills account for at least 40% of Canada's total power development, for one hundred h.p. must be provided for every ton of daily output.

The use of electric power in the north woods is tremendous: 40% of our electric industry is concerned with providing power for newsprint and pulp manufacture. The wood is brought into the plant on a steady stream of conveyors. If the bark is still on, great tumbling barrels or "drums" debark it, with 100 h.p. motors on each drum. Fifty to seventy five h.p. are needed to grind the cord of wood into mechanical pulp. It may take a dozen h.p. to cut the cord into chips for the chemical pulp digesters. As many as 1,000 h.p. may be needed to run a single high speed machine.

There are pumps, screens, pulp thickeners, stock refiners, automatic metering systems, and mixing equipment to be driven, miles of piping, large and small through which water and pulp must be pumped. A completely electrified mill requires four hundred to five hundred thousand kilowatt hours to make 300 tons of newsprint every 24 hours, and ten million gallons of clean pure water every day.

Locating a Mill

Because of this, newsprint plants are built at points where there are coniferous forests, or cheap shipping facilities for cut wood, where water power can be developed. Once the permanent annual supply of wood is located, exploitation schemes, as many as four or six, are considered and rejected. All but the one which pours a gang of 500 to 800 men into the bush district perhaps near a northern lakeshore where a tribe of Indians on their reservation may be the only inhabitants. A logging superintendent lays out the roads which have been drawn on the air photographs. Construction camps are built. Horses, tractors, sleds, axes, saws, and other equipment assembled. Foundation excavations open, and buildings rise.

The location of a shipping wharf is dredged, with a storage pond for logs beside it. A jackladder, or chain escalator, for logs, and a four-mile flume or man-made river of pumped water flowing in a V- or U-shaped bed of wooden planks is erected to carry logs from forest to mill. The barking, cutting, and roasting plants are laid out, the mill, the power plant, the transmission line from it to the mill. The townsite and railway station come into being. With successful operation, a spur railroad will be run in.

Plans are laid for seasonal work of 300 men. A company townsite of staff houses, manager's residence, technical staff houses, infirmary, stores, company offices, machine shops, garages, stables, and bunk-houses make up the town at first. Power trailblazers rut out the town roads. Road monkeys finish them. A town complete with sewer system, chlorinated water supply, electric light, telephone, movies, frame houses, are built, and through the underbrush, lumber, piping, stoves, steel, flour, supplies and machinery never seem to stop flowing. Trains and boats take out pulp and bring in motors, wooden blowpits.

There is nothing cheap or temporary about a paper mill. Hence the value of a paper industry to this nation in the continued employment which moves ten million tons of wood a year as a matter of routine.

Two Men per Ton

Two men are on the payrolls of newsprint mills for every ton of paper of daily capacity made. And it takes as many more in the forest and along the way to cut and deliver wood. Canada has a capital of \$594,908,222 invested in mills with net foreign earnings of \$80,000,000 and more help to pay for our imports and more help to reduce the foreign debts of this Dominion. North American newsprint manufacturers own or lease timber limits equivalent in area to the New England States plus New York and Ohio. The hazards of fire, insects, and disease are many in the bush. Storms may level great areas of timber into windfall. More men will be put into the bush to guard against fires as forests are placed on provisional working plans for a sustained yield basis.

Something of their value to our lives, through the continued operation of these distant paper mills off in the coniferous forest near a site of water power, is becoming evident.

Surrounded by the village and perhaps towns they support, with their schools, newspapers, flying bases and prospecting parties, they are respons-



MILL POND at the foot of the jackladder. These logs, in 16-foot lengths are drawn up into the mill where they are cut into 4-foot lengths, the first step in the process of converting them into pulp.

—Photo by Margaret Bourke-White.

ible for the men in these communities growing up in an atmosphere of paper making, and expecting to continue in it.

Company budgets carry heavy contributions for community support. In addition to corporation taxes the companies pay stampage dues and ground rent in large sums to the provincial governments, whose tenants they are. In effect, for the Canadian public owns nine-tenths of the forest as the unseen partner of these mills which convert forests into cash. Only the railroad industry has a closer relation with the Canadian taxpayer, so that when depression closed mills, government prorating put others on short running time rather than see them fail too. Wage rates went down but personnel was held to-

gether until they could come up again. The mill continued production while dividends vanished.

Speaking in general terms rather than accounting technique, there are three main classes of cost items in the making of newsprint paper. Materials, conversion, and overhead. Added to the wood used are sulphur, limestone, color, alum and clay. Nearly 500 accounts are necessary for the adequate analysis of items entering into the cost of manufacture of newsprint and these are spread from Texas to England, and amount to half or even two-thirds of the cost of newsprint, not counting overhead.

The biggest items in conversion are labor, power, and fuel, which run from \$10 to \$12 a ton in the most efficient operations. Living accommo-

dations in these self-contained municipalities which have been built in Canada, are among the fixed costs. A large paper machine is built to run for decades.

Labor, Power, Fuel

Newsprint is the third largest industrial development we have, after railroads and electric power. A hydro development costing \$100 per h.p. is no temporary affair, and some idea of the labor, power and fuel totals for the newsprint industry is contained in this latest table by the Dominion Bureau of Statistics:

tal goes as high as \$10,000 per ton of daily capacity. The most recent competent estimate for this item is not less than \$1,200,000 for a 300-ton mill in a low-cost location. For many years an offhand rule of thumb estimate of the total investment required for a self-contained newsprint mill including adequate working capital has been \$40,000 per ton of daily capacity. The investment per unit of output in the manufacture of newsprint is greater than in any other major forest product and it is the continued flow of business from the newsprint industry which keeps many subsidiary producers from shrivelling.

PULP AND PAPER 1938

	Canada	Quebec	Ontario	B.C.	Others
Establishments.....	99	44	37	6	12
Pulp Mills.....	27	10	8	2	7
Paper Mills.....	24	9	14	1	—
Pulp and Paper Mills.....	46	23	15	3	5
Capital employed.....	\$594,908,222	\$310,894,280	\$174,219,617	\$47,437,265	\$62,357,060
Total Employees.....	30,945	20,488,451	14,280,151	3,300,710	4,549,999
Salaries and Wages.....	42,619,311	20,488,451	14,280,151	3,300,710	4,549,999
Fuel used.....	7,057,098	2,433,217	2,800,238	—	1,211,276
Electricity bought.....	16,763,639	11,114,225	3,508,132	—	—
Power employed H.P.....	1,886,944	1,017,538	516,208	129,970	—
Pulp-Making materials and supplies.....	49,470,732	24,723,274	14,865,737	2,630,096	7,251,605
Pulp made.....	82,897,146	44,220,224	23,821,023	4,456,691	13,399,210
Paper-making materials and supplies.....	77,020,847	38,926,554	26,704,437	4,007,584	7,383,272
Paper made.....	131,650,065	74,533,867	52,282,308	10,105,788	14,727,902
Total value of materials and supplies.....	71,062,580	34,195,221	24,619,650	3,821,231	8,375,778
Gross value of products.....	183,897,503	88,900,115	60,946,197	12,004,843	21,956,348
Net value of products.....	89,034,186	41,246,952	30,017,957	7,495,177	10,274,100

The current supplies of wood and other materials, the inventory of finished products on hand, the amounts due for paper delivered, the ready cash required to meet pay rolls, taxes, insurance, and other insistent items make up a large total of money held for disbursement or receipt. A typical mill will have thousands of dollars tied in spare pulp grinding stones, to maintain production of groundwood pulp should a stone break. And apparently insignificant items like the cores on which newsprint rolls are wound run to thousands of dollars.

To make newsprint working capi-

Large items of expense are fourdrinier wires, canvas and felts for paper machines, repairs, finishing and shipping. Unescapable overhead occurs in administrative charges; taxes—federal, provincial, and local; insurance—property, compensation, fire, etc.; and depreciation. Any self-contained mill which is not charging at least \$3 per ton of capacity for depreciation is likely to be slowly giving away its property.

Finally there are delivery costs, averaging on this continent close to \$8 a ton.

(Continued on Page 18)



SKF

BALL & ROLLER BEARINGS



ALL TYPES - ALL SIZES

MONTREAL TORONTO CANADIAN SKF COMPANY, LIMITED WINNIPEG VANCOUVER

DODGE Job-Rated TRUCKS

HAVE THE RIGHT FRAME TO STAND THE Strain



ONE OF THE 17 DODGE FRAMES IS THE RIGHT *Backbone* TO CARRY THE LOAD IN THE TRUCK THAT MEETS YOUR HAULING NEEDS



An exceptionally strong box-type front cross member is used on the frames of all Dodge trucks over 1 1/2-ton rating.

Be a careful truck-buyer. Be sure the truck you buy is Job-Rated. For instance—is the frame strong enough to carry your loads, without being excessively heavy. Each Dodge Truck has the right sized frame, strong and durable, for long life and economical operation.

Dodge Job-Rated Trucks are powered right with one of six Dodge Truck Engines. They have the right

clutch, rear axle, transmission and springs for Dependable efficiency. Your next truck can be the best truck you ever owned... more dependable, more economical... the source of more satisfaction—and profits—if you buy a Dodge Job-Rated Truck.

Your Dodge dealer will give you complete information about the Job-Rated Truck to fit your job.



DODGE TRUCKS MEET 95% OF ALL HAULING NEEDS



NORTON PULPSTONES

NORTON GRINDING WHEELS are used in every industry, from giant Pulpstones to tiny mounted points. For the Home Craftsman, Norton INDIA Oilstones, Files, Handy Andy Grinders, etc. Ask your Hardware Dealer.

are reducing costs and raising the quality of pulp produced in many Canadian Mills.

NORTON COMPANY OF CANADA LIMITED
HAMILTON ONTARIO

NORTON ABRASIVES

PRESSURE TREATED TIMBER CONSTRUCTION IS
ENDURING AND ECONOMICAL
Our Consulting Technical Service is at your Disposal

CANADA CREOSOTING COMPANY, LIMITED
HEAD OFFICE: MONTREAL, CANADA

American and British Newspaper Trends

WAR'S effects on the circulation and advertising of English and American newspapers are very marked, and quite different on opposite sides of the water.

Canada's peculiar situation between the two as a seller of newsprint makes it best to discuss both separately, using the long-term trend of American advertising as a sort of normal, from which war deviations may be more easily traced.

About all that is known of advertising as a business, with a deferential bow to statistics existing before and since the last war, is that advertising and industrial production—which means production itself and not the flow of trade in consumer channels—rise and fall together in the main.

news-picture magazines, have diverted money from the newspapers.

Then again, total advertising is today four-fifths of what it was in 1929, with the newspaper share of it now some ninety million dollars less than it was when the boom ended.

To compete, some publishers have increased their prices, or rates, to advertisers and subscribers, losing on circulation in the latter case. The last general price increase of newspapers in 1937 lost 7% of circulation, which had increased as a whole only 11% above normal long-term growth from the depths of depression. Other publishers improved their medium, and are offering special forms of newspaper advertising such as rotogravure, color rotogravure, color comics, and in a few cases the use of color on regular

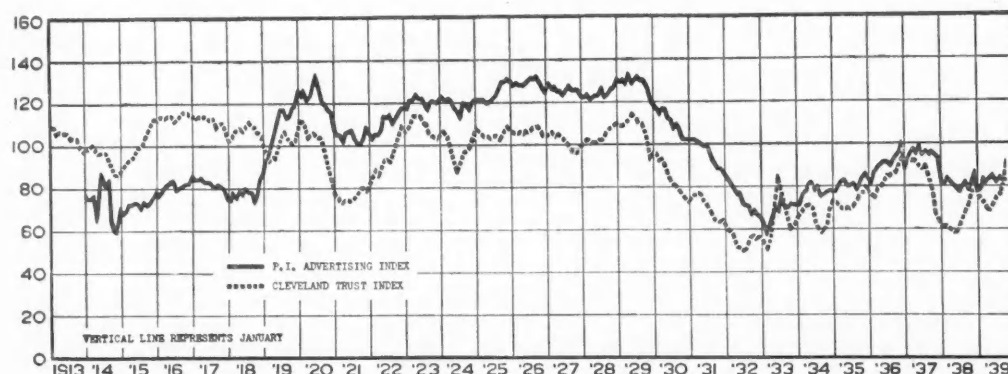
That is, the categories in which newspapers have shown the greatest losses are precisely those in which radio has shown the greatest gains. Radio billings and spot broadcasts continued to increase as much as 15% in 1939.

That this situation is continuing is shown by the *Printers' Ink* study of media changes during 1939 in per cent of increase over 1938. For the first six months this reads "Magazines, +1.0; Newspapers, -1.3. Farm Newspapers, -5.9; Outdoor, -1.6."

Magazines have increased competition tremendously. The number of magazines published has varied as follows:

1922	67	1935	124
1932	72	1938	107
1933	114	1939	120

(CUM CORRECTED FOR LONG-TERM TREND)



In general the latter fluctuates more than advertising. At the end of periods of prosperity industrial production starts down before advertising, and, in ending depressions, is likely to anticipate advertising in the upswing. The annual growth of advertising, as shown in charts compiled by L. D. H. Weld, director of research, McCann-Erickson Inc., and reproduced in *Printers' Ink*, is 0.76% a year. Dr. Weld's statistics are used below.

Trend Last Five Years

But the most notable trend in advertising during the last five years has been the downward curve of newspaper advertising lineage on this continent, and of revenue derived from advertising in both England and America in spite of a 2% gain in newspaper lineages for 1939 over 1938.

New competitive media, particularly the radio and high speed weekly

newspapers. Such specialty advertising is the only depression success of the newspapers and has increased 91% in the last five years to become a sixth of all newspaper advertising.

But in spite of the downward trend of advertising lineage and newspaper revenue throughout America, newspaper profits have been well maintained—are at present above 10% for large newspapers which have found small but steady circulation increases as suburban independents continue unable to compete.

The newspaper advertises nationally-known foods, products or services, and runs as well local department store advertising etc.

It is in national advertising that papers compete with the radio and with magazines. And national advertising in newspapers has fallen three-fifths from its 1929 total. In 1938, total lineage was 63% of 1929's, and national advertising had declined to 42% of that, and would have shrunk another 15% if it had not been for liquor advertising which the radio cannot touch. Gains in specialty lineage indicate that more newspapers may turn to color and to rotogravure advertising as well.

To 1939 the milline rate of all U.S. daily newspaper publishers has shown a steady upward trend from \$3 to \$3.23. This increase in the cost to advertisers has been rigid in comparison with the fluctuations of prices for radio time.

Over a long term, newspaper rates have retained this rigidity, and have remained stationary when newsprint and other commodity prices declined, to move upward once more when commodity prices recovered. This trend has reduced both advertising lineage and the consumption of newsprint, for large advertisers such as General Motors, spending the same amount of money in newspapers as in former days, use several million less lines.

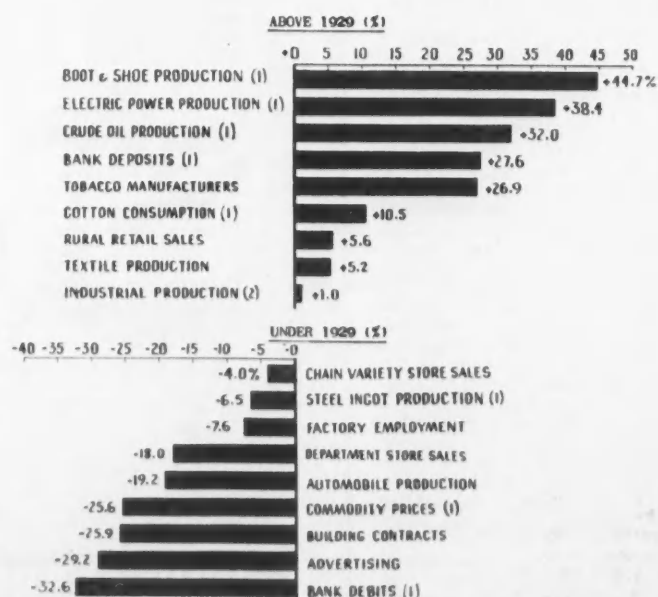
Shifts in Revenue

American advertising revenue has shifted in Library of Congress figures as follows:

	1929	1939
Newspapers	69	54
Magazines	28	30
Radio	3	16

Using 1935 as a base year to examine the proportioned spending, the largest groups of advertisers—Motors, Tobacco, Soaps and Toilets and Food—spent 0.93 as much in newspapers last year, 1.22 in magazines, and 1.71 for radio time. The changes in business which have taken place from 1929 to 1939 are shown below:

1939 (PEAK MONTH) COMPARED WITH 1929 (AVERAGE FOR YEAR)



(1) 1939 FIGURES NOT CORRECTED FOR SEASONAL CHANGE. ALL OTHERS ARE BASED ON PRELIMINARY FIGURES FOR OCTOBER.

operative advertising with dealers by advertisers continued. Circulations rose, there was a decided gain in national rotogravure copy, and agencies reversed the trend of previous years toward consolidations and suspensions, with some 40 new agencies started.

Advertisers in general adopted highly flexible policies and made their commitments on a short term basis, re-arranging their schedules practically once a month. Research programs were instituted to increase the value of the advertising dollar, and continuous studies of newspaper and magazine readership were begun. Various attempts were made to improve the checking of radio programs. Studies of farm and trade papers were continued. And spot marketing on a large scale was adopted, together with a policy of testing practically every major campaign in certain markets before running it nationally.

Sharp Declines

English advertising for September, 1939, was \$4,300,000, or 49% below that of September, 1938, though August's revenue was better by 2.5% than that of August, 1938.

Jesse Scott's *Statistical Review*, of London, analyzing 8,500 publications after the beginning of war, found that nationally-circulated morning and evening papers were down 57.2 and 58.2% in circulation throughout England, and that Sunday newspapers had fallen off 62%.

Monthly magazines lost but 12.7% of their advertising revenue in September. Later, losses were greater.

The *Statistical Review* also released the following survey of per cent declines in branches of English advertising, showing the September loss or gain from August:

DECLINE %	
Winter cruises	-92.4
Air lines	-91.7
Gasoline	-86.5
Autos	-64.3
Lubricants	-65.0
Tires and tubes	-50.3
Whiskey	-83.4
Beer	-41.5
Straight wines	-53.7
Branded cocktails	-39.5
Soft drinks	-69.7
Packet tea	-71.3
Tobacco	-9.0
Cigarettes	-33.0
Radio sets	-55.0
Branded foods	-100.0
Cheese	-50.0
American fruits	-87.3
Cereals	-79.7
Medicine advertising	-35.0

GAIN %

Building societies	+41
Cocoa	+2200
Chewing gum	+2200
Footwear and wool	+600
Sauces and pickles	+143
Flour	+133
Electric bulbs	+124
Hosiery	+116
Insurance companies	+106
Health & baby foods	+67
Underwear (both sexes)	+30
Household soaps	+25

Business "As Able"

The position is now that English newspapers can easily sell all the space available, though the use of paper has been cut in half for public information and devoted to government publications. The situation is definitely not business as usual, but business as able.

Especially disastrous to the advertising of all publications was the pooling of gasoline which wiped out some brand names in the space of five weeks. Government hopes of pooling tea, beer, fish, etc., failed so remarkably in the case of fish that pooling is being rigorously tested before being applied. It seems likelier that though tea may be pooled at the warehouses, it will continue to be marketed under brand names.

Only other changes in the newspaper beyond smaller sizes and the scantier advertising were in the editorial divisions of papers with offices confining themselves to predictions, local news, propaganda handouts, and scalded foreign despatches of the European and American press. Radio news bulletins, in comparison, have become very long and extremely detailed.

One advantage of war conditions is that if English advertising is to survive, new manufacturers whose use of advertising has been small must be encouraged to take space. Any increase in business maintaining the present level will add to the stature of the advertising industry in England when the war is over.

WASTE SULPHITE LIQUOR

IT HAS been announced in Thorold, Ont., that the Best Yeast Co. completed plans for the construction of a factory for the manufacture of yeast from waste sulphite liquor.

According to the announcement the plant will be on ground leased from the Ontario Paper Company, which is expected to supply it with 10,000,000 gallons of waste pulp liquor annually.

Work is being started this month on the plant, the contract for which has been awarded to the Foundation Company. The Best Yeast Company operates a similar plant in Liverpool, N.S.



Canadian Leaders

FOR MORE THAN 30 YEARS

Through lean and lush years . . . through calm and chaos . . . Provincial Printing Papers have been quietly making history in the pressrooms of Canada. Chosen for their pre-tested uniformity . . . respected for their ability to come through all "pressroom pinches" . . . Provincial Papers have been the most-used Canadian printing papers for more than 30 years.

Provincial Papers are sold by leading dealers throughout the country; made in Canada by Provincial Paper Limited, Toronto.

PROVINCIAL Uniform PAPERS

BRANCH SALES OFFICE: MONTREAL. MILLS AT: MILLE ROCHES, THOROLD, GEORGETOWN (2), PORT ARTHUR

War and Post-War Demand for Newsprint

THE puzzle of war demand and its continuing influence on the demand which must supplant it if newsprint consumption is to continue to increase is one which does not concern newspapers alone. There are social variables not yet apparent, such as unionization of newspaper labor and spreading semi-metropolitan deliveries which are not here included.

For newspapers themselves, 1939 was no good year in spite of a 2% gain in advertising lineage over 1938. War increased Canadian newsprint production from 62 to 66.8% of capacity. Almost all of this war increase came from the United States, where it is believed newspaper circulations are declining from their long-term peace-time peak in spite of the great seasonal advance due to the declaration of war. (Newspaper circulations gained 5% for dailies and 15% for Sunday papers to about 41,500,000 copies a day in 1937. Circulations have decreased about 4.5% since, and the decrease continued in 1939 with the suspension of 75 papers, 51 of them dailies.)

The declaration of war gave circulations an artificial stimulation for the last four months of the year, but labor charges went up. State and Federal taxes in the U.S. have mounted. Not only will the stimulant be present in 1940, but its effects will be augmented by the tumult of an election year in the United States.

War Interest

War circulation and thus the continuing influence of war demand on normal demand falls as the public becomes bored with dragging hostilities.

There has been heightened public interest in newspapers ever since the outbreak of the Russo-Finnish war, and New York newspaper associations predict an increased interest, should any further fronts be established or unexpected invasions occur. The same associations, oddly enough, predict fatalistically a slowly rising demand for newsprint as the year passes and a showdown between Allied and German forces turns the feelings of neutral America toward war. Should the Russo-German combination turn westward in full force, the associations, basing their prediction on the pro-Allied swing of the Gallup polls, expect demand for newspapers to rise noticeably.

Newsprint consumption in the circulations of established papers is expected by the U.S. Dept. of commerce to top 3,340,000 tons for all publishers.

There exist in 1940 two great publishing organizations which were not set up in 1939. These are the Democratic and Republican parties of the United States, for this is an election year, and the issue of a third term for Franklin Roosevelt guarantees the publication of political throw-aways, door sheets, party newspapers, convention and local-meeting tabloids, scratch sheets, and small four-page election newspapers following candidacies. Newsprint consumers on the Pacific coast in their unofficial correspondence with the United States Department of Commerce, have mentioned figures as high as 3,600,000 tons for 1940 demand.

Independents, Chains

On the surface, demand runs with the large independent papers, some owning their own mills in Canada, and with the entrenched chains. Last year and this year the New York Daily News, Chicago Tribune, Baltimore Sun papers, Boston Herald, New York Times, etc., reached and are reaching fairly high circulation averages. The liquidation of Hearst newspapers in various cities caused the decade's

only great drop in chain circulation in the country.

The effect of war on chain circulation was sensational. How lasting it will be, no one can tell. Of all the forecasts, none exceed 75% of capacity as the operating rate for Canadian newsprint mills in 1940, though U.S. mills are running at 97.1%. The Canadian increase from the 1939 figure is calculated on the bloodthirsty hope of U.S. managing editors for big land battles.

However, demand is also increasing from "synthetic" chains which gained vogue in the depression as buying co-operatives giving small independent newspapers the advantages of chain prices in purchases of ink, newsprint, etc. Newsprint has fallen to between 12-15% of the total expense of these papers, instead of the 22% of cost in larger chains.

These associations exist among the surviving small newspapers in towns and cities. Many small towns and suburbs are now left without dailies and depend for newspapers on the large chain members of nearby great cities, which deliver up to 3 issues a day as far as 120 miles.

Effect of Wirephoto

Another increase in newsprint consumption from an unexpected direction is in the page size of newspapers, many having added an extra leaf due to the fact for a page of war pictures. This tendency is encouraged by the practice of illustrating accompanying despatches with wirephoto pictures, and, due to the spread of wirephoto, is given credit for an additional demand of 10,000 tons. One serious drawback to this is the number of antique engraving plants around the country. Metropolitan fashions are not copied more than superficially by the national press.

Outside the United States the situation for newsprint sales is obscure. No more can be said than in Argentina, Japan, and France, demand has increased from fifty to a hundred per cent, since 1927 and is continuing to grow. There is now a serious French newsprint shortage under government control, though France was exporting before war. As in the case of the United Kingdom, transportation is difficult but Canada must enter expanding foreign markets if her post-war tonnage is to be kept. Australia's market is about to be supplied by a new Australian News Print Mills property building, a million dollar mill at Boyer, on the Derwent River, Tasmania. Contracts have been made for the transportation of 30-40,000 tons a year by the Tasmanian Government Railway. The interested newspaper companies include the Herald & Weekly Times, Sydney Morning Herald, Sydney Sun, Advertiser Newspapers Ltd., News Limited, Queensland Courier-Mail, Hobart Mercury, and West Australian Newspapers Ltd.

Radio Facsimile

Continuing demand for newsprint in the U.S. as opposed to war purchases is very nearly stabilized. A modern newspaper must have a franchise for leased wire press service, color combs, cartoon features, syndicated columns, and syndicated foreign news to build its circulation. All these are expensive. A great government newspaper publishing enterprise which was to have been started under Hoover as a national farm information service, and continued and expanded by Roosevelt, seems never to have used newsprint as it was meant to and to have become a magazine industry instead—and a large one.

The radio, radio facsimile, and television systems competing with news-



LOGS coming from the drum barkers. The four-foot logs which have bark on them are sorted out, and are fed into the great revolving drums in order to remove all the bark before going to the grinder room or to the chippers.

—Photo by Margaret Bourke-White.

papers have done, and have it in their power to do, great damage to the newspaper industry. It is an extraordinary fact that the physical plant of the entire newspaper publishing business has become obsolete from a technical point of view by the invention of the radio facsimile machine.

Newspaper presses, delivery, newspaper offices, and printing are all theoretically swept away by this receiving attachment of a radio which converts light and shadow into electrical impulses by means of an electric eye (photoelectric scanning device), amplifying and modulating them and reversing the process at the receiving end to print a newspaper in your home.

Facsimile Problems

Speaking practically, the industry which issues 40,000,000 copies a day can expect to exist for some time in spite of this disintegrating little gadget. It will be a while before Adam Waring has his morning paper printed at home. For one thing, reproduction paper will have to be just as cheap delivered and installed as newsprint is at present, and the facsimile "printing" sets will have to rent or sell to Adam Waring for no more than the yearly subscription price of his newspaper before facsimile is anything more than an amusement and a naval aid.

Then there are political problems. Like sound broadcasting, facsimile transmission takes place over the public domain—the radio spectrum—and a U.S. amalgamation of radio interests even in newsgathering would likely run foul of the American anti-trust laws. Finally, some organization big enough and tough enough to join battle with the whole American press, which has never lost a major fight (or vice versa, some press association of thousands of local publishers powerful enough to buy the use of radio facsimile and compete with radio) will have to finance facsimile, supply the news and feature services, sell the advertising space, etc. Newspaper publishers, who already own a quarter or more of the U.S.'s most powerful radio stations, will fight facsimile breathless.

Radio, Television

Radio, on the other hand, is said to have done most of its damage to newspapers. But in the long-term view radio is presently being absorbed by television, which has now solved its problems of coast to coast wireless television transmission, according to David Sarnoff of RCA. All that will eventually remain of it, members of the National Association of Broadcasters were heard to admit at their last convention, are the non-profit educational broadcasting stations, of which America has 40 and could support about 500 as subsidiary educational media to commercial television.

Cost of producing television programs can be reduced to within 15% of present radio productions. Radio costs for a popular national half hour in the U.S. are \$10,000 for talent, \$5,000 for production, and \$8,350 for air time. But Liam O'Flaherty made a full length motion picture for \$27,000, and many Broadway productions are begun on two-thirds of that amount. A fundamental change in radio's jackpot philosophy, the use of group casts, massed cameras, labyrinth scenery on circling and hydraulic stages, together with the present extremely detailed knowledge of television production, can solve television's problem of production costs.

One television station takes as much space on the dial as nine radio stations, and one of the headaches of the Federal Communications Commission in the U.S. is the determination of which licenses are to be terminated as television spreads.

Rate of progress for television has been slow. In December, 1939, the *Saturday Evening Post* stated that 1,000 television sets had been sold after 9 months of marketing. But in London, where there were 9,000 television sets in 1936, there are now 34,191. Lookers-in have seen the Derby, a trooping of the colors, Neville Chamberlain getting out of his airplane on the return home from Munich with the scrap of paper signed by Hitler, saw the boat race, have seen football games, cricket

DODGE — A Great Name in the Pulp and Paper Industry

Designers and Manufacturers of

CONVEYING AND ELEVATING EQUIPMENT
MODERN POWER TRANSMISSION EQUIPMENT
COAL AND ORE HANDLING BRIDGES
WELDED PROCESSING EQUIPMENT
STEAM GENERATING EQUIPMENT

UNITED STEEL CORPORATION LIMITED

Dodge Manufacturing Division — Canadian Mead Morrison
TORONTO • WELLAND • MONTREAL • WINNIPEG

Niagara Wires

MODIFIED
LONGCRIMP

FOURDRINIER WIRES

Canada's Standard
for
Quality Newsprint

The Wire the whole World has copied

MADE BY

Niagara Wire Weaving Company, Ltd.

NIAGARA FALLS

ONTARIO

LARGEST MAKERS
OF
NEWSPRINT
WIRES
IN THE
WORLD

FOR FINE PAPERS—
MODIFIED LONGCRIMP
AND PLAINWEAVE

ALL MESHES—
WIDTHS TO 336"

Pulp and Paper Securities

We deal actively in senior securities of Canadian companies manufacturing newsprint, bleached sulphite and fine papers.

Quotations and information furnished on request.

Royal Securities Corporation
Limited

244 St. James Street
Montreal

350 Bay Street
Toronto

Established

1858

J. R. BOOTH LIMITED

HYDRAFINED

PAPERS

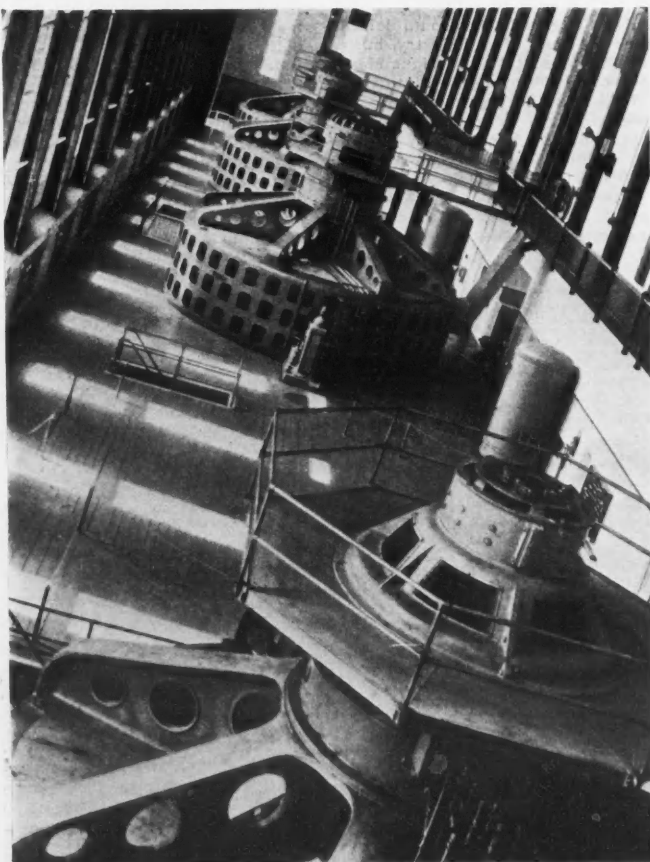


OTTAWA

CANADA

Manufacturers of

Lumber, Newsprint, Sulphite and Groundwood Pulp, Book and Writing Papers, Sulphite and Groundwood Specialties, Hydrated Kraft Paper for Wrapping and Converting, Folding and Set-Up Boxboards, etc.



POWER. These are hydro-electric generators. Canada has cheap water power and cheap transportation for her timber. Prime requisite for good newsprint is good wood and Canada has sufficient of the latter to ensure her position as the greatest source of newsprint in the world. In 1939 she supplied 39 per cent of the world's needs.

—Photo by Margaret Bourke-White.

A Great Employer of Men and Materials

(Continued from Page 15)

Then there is the cost of capital. Capital turns over but slowly in the paper industry. The sales in a city department store may equal annually three times the investment in the business. In a fully self-contained newsprint plant with its own timber limits and subsidiary power plants it may take four to five years for the net sales to reach a total equivalent of the investment in the enterprise.

Which is why it is important to the papermaker, paper user, and investor in papermaking that capital have a chance to pay its way by getting sufficient prices for newsprint exported to the United States. At 100% operation a return of 6% on investment means a charge of \$7 per ton of paper made, according to the most enthusiastic promoters, and Canadian mills average 66.2% of capacity in 1939. A half billion dollar industry with its units scattered over a continent's width is subject to many vicissitudes—commercial, climatic, and political.

Its problems, because of size alone, require time. Its progress depends on the soundness of the investment it offers to capital.

When demand permits, pulp flows six days a week in the paper machines, 52 weeks a year. With six and eight hour shifts, sanitary and healthy working conditions, a 48-hour week, the pulp and paper industry has been first in amount of wages paid since 1922. High wages are paid because wood of the right quantity and quality must be provided in a constant stream for grinders and digesters every day of the year. The flow of pulp must continue day and night to paper machines in a carefully prepared and automatically controlled mixture of mechanical and chemical pulp which comes to the fourdrinier machines 99½% water. In 30 or 40 seconds three tons of water and pulp are converted into a ton roll of newsprint containing an average of about 8% moisture. The two tons of water are whisked out of the moving sheet

in that time by gravity, suction, pressure, and heat.

The skill of trained men is required in grinding wood, "cooking" wood, in machine tending. Electricians must keep scores of motors delivering power, mechanics keep millions of dollars worth of machinery operating every day. There are hourly, daily, weekly and monthly records everywhere. Large office staffs compile cost and operating reports and bring together the information necessary for management.

Skilled Men Required

There is no substitute for trained men in these days of automatic machinery, and a large part of the steady stream of wages paid out by newsprint is for them. Machines can be regulated by pressing a button, throwing a switch, swinging a lever, or turning a screw. Such machinery calls for greater skill than less. Behind them all, the management must know what the effect of each adjustment will be on the next stage of production. The groundwood superintendent, sulphite, and paper mill superintendents, all with the aid of the electrical superintendent work toward a common end under the general manager.

Their eyes and fingers are the

men in the plant on whom newsprint depends. With only a few seconds between headbox and reel, machine tenders must be always on the alert. A torn felt, a flaw in the wire, a clogged suction, call for instant action. When a fourdrinier machine runs without a break for 24 hours, it is a record in which all, grindersmen to backtenders, share the credit.

Only through the stability of employment which newsprint has built and hopes expanding markets will continue can such mill staffs be built.

Newsprint from Southern Pine

(Continued from Page 14)

ifers, \$25,000 from grazing, and \$80,000 from lumber.

Pulpwood is a byproduct as far as the Southern pine reserves are concerned. Savannah being the largest rosin market in the United States, and the bulk of the world's turpentine coming from Southern pine, pulpwood for newsprint is overshadowed. Union leases out its trees for naval stores business to rosin and turpentine operators and collects royalties of 20-30%. The grazing return comes from fees for grazing cattle in thinned pine lands, and the lumber from old pine trees which have not been logged, or from worked out turpentine pines unsuitable for lumber but good for pulp.

There are at present 9,600,000 cords of the latter in the South, and it is increasing at the rate of 1,800,000 cords a year.

The late Dr. C. H. Herty, who co-ordinated much of the research on Southern pine's possibilities for newsprint paper, made reference to an unusual combination of forest and agricultural growth. Marion Relf, a farmer of Brooks County, Georgia, believing that pines planted in cultivated ground would grow more rapidly, and in his financial straits hoping to take care of all the expenses of the pines through reaping a food crop, conceived the idea of planting pine and corn in alternating rows on his farm. Corn paid for the seedlings and yielded revenue. Newsprint was made from his pines when they were five years old. On growth investigations following, Southern newsprint has been touted for years as a threat to Canada's newsprint.

The only interesting or significant developments in Southern newsprint to date have been the building of a newsprint mill at Lufkin, Texas, with a capacity for 160 tons daily, and research into Southern newsprint's quality by the Forest Products Laboratory of the U.S. One single machine in a Canadian mill produces 150 tons a day. The yearly production of this Lufkin experiment amounts to 1.2% of the rated Canadian capacity, which stands around 4,000,000 tons.

The Forest Products Laboratory has created a southern pine newsprint in which semi-bleached sulphate pulp is used. The sulphite process is very difficult to apply to pines containing as much heartwood as Southern pines do. Since the production of a light colored groundwood which must then be bleached bans the use of a high percentage of dark colored heartwood, there must be a culling of material for this newsprint. The new mill at Lufkin, Texas uses this method rather than the sulphite-groundwood process originally advocated for it.

The quality of newsprint from Southern pine is improving steadily, but still tends to give a gray appearance to newspapers using it. The quality of halftone reproduction is very poor, in regard to a specimen of the *Dallas Morning News* seen by SATURDAY NIGHT this month. Cost of this inferior newsprint is as much as that of Canadian.

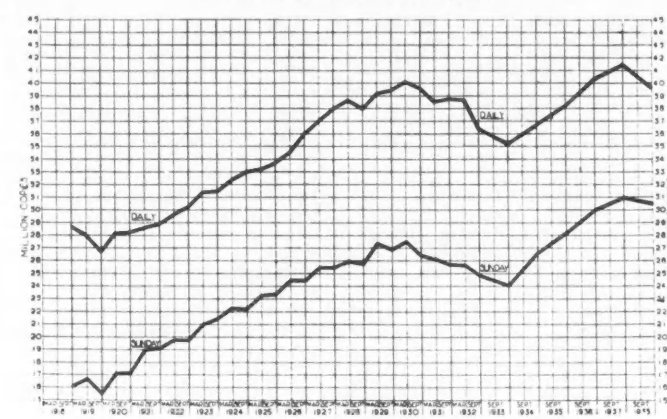
It is also reported that a mill is to be located in the Tennessee Valley.

A newer type of technological research in the forest, stemming from Herty's investigation of Southern pine's growth possibilities, has been done by Dr. Ralph M. McKee, Columbia University, with hybrid poplars. These "poplars of promise" are now growing on plantations in Maine, New York State, Wisconsin and Illinois. Dr. McKee states in the report of the American Institute for Economic Research that their yield will be apparently about 80 cords per acre in 12 years; 62/3 cords per acre per year, of specific gravity the same as in

Competitive Position in Newsprint

1.—U.S. NEWSPAPER CIRCULATIONS

AVERAGES FOR PERIODS ENDING WITH MONTHS LISTED



2.—U.S. IMPORTS OF EUROPEAN NEWSPRINT PAPER, OCTOBER, 1939

	Finland		Sweden		Norway		France		United Kingdom		Netherlands		Total	
	Tons	\$	Tons	\$	Tons	\$	Tons	\$	Tons	\$	Tons	\$	Tons	\$
Massachusetts	113	3,819			112	3,618							225	7,437
New York	4,601	136,095	1,198	39,989	1,504	53,679	131	3,941					7,434	233,705
Philadelphia	1,146	41,888	736	26,301	1,097	37,226							2,979	105,413
Maryland	5,463	145,373	1,329	43,049					56	1,772			6,848	190,194
Virginia	239	8,105					90	3,389					338	11,494
Georgia	142	4,324	779	25,681	156	5,300							1,077	35,305
Florida	550	15,325											550	15,325
New Orleans	3,771	104,563	233	8,326							201	6,951	4,205	13,583
San Antonio	31	1,260	69	2,290									100	3,550
Galveston	99	3,955	26	1,087	75	2,526							200	7,568
Los Angeles	1,721	57,512	492	20,783	36	1,105	209	7,910					2,249	87,310
San Francisco	325	8,771	227	8,960	1,694	70,904							2,246	88,635
Sabine	529	19,443											529	19,443
Ohio	684	21,589	1,290	51,503							26	1,156	2,008	76,249
Total	19,414	574,042	6,379	227,969	4,773	177,747	340	11,851	56	1,772	227	8,108	31,189	1,001,489

3.—U.S. IMPORTS OF NEWSPRINT FROM CANADA AND NEWFOUNDLAND, NOVEMBER, 1939

	Canada		Newfoundland	
	Tons	\$	Tons	\$
St. Lawrence	29,430	1,365,386		
Vermont	10,719	489,234		
Massachusetts	2,392	121,279		
Rochester	212	10,379		
Florida			3,792	173,470
Mobile			2,515	112,244
Buffalo	26,010	1,114,196		
New York	23,198	1,101,420	247	10,703
South Carolina			4,231	185,000
Virginia	1,003	48,165		
New Orleans			3,344	147,328
Galveston			1	31
Los Angeles	4,616	230,914		
San Francisco	461	22,789		
Washington	3,972	165,474		
Dakota	10,352	417,045		
Duluth & Superior	13,819	621,701		
Wisconsin	4,928	238,596		
Michigan	55,328	2,582,714	200	8,276
Ohio	1,933	96,340		
Puerto Rico	2,461	102,921		
Chicago	39,877	1,510,268		
Total	230,731	10,239,321	14,330	637,074

4.—NEWSPRINT TOTALS

	November 1939	November 1938	Eleven Months 1939	Eleven Months 1938
Finland	12,939	15,802	185,505	135,477
Germany			6,371	8,915
Norway	2,386	919	40,780	9,817
Sweden	1,281	9,059	58,045	66,095
France			1,137	
United Kingdom			1,014	
Netherlands			602	
Overseas Total	16,606	26,584	295,454	220,304
Newfoundland	14,330	4,219	82,039	35,177
Canada	230,731	198,481	2,007,454	1,789,359
Grand Total	261,667	229,284	2,384,947	2,064,840

U.S. daily newspaper circulations during 1939 were about 39,000,000 copies until September. The increase due to war has not yet been released. The trend in this market is indicated in 1. Imports of European newsprint paper into the United States, are given by countries of origin in 2, and comparisons of tables 2 and 3 show Canadian newsprint manufacturers exactly where they may expect to gain tonnage from Baltic producers whose shipments have been disrupted. The overseas vs. North American total of newsprint imports are given in 4. All figures in short tons.

Data by News Print Service Bureau, New York.

ordinary poplars. The new poplars come under the plant patent laws, and 14 patents have been issued. These new types of trees do not grow well in sections which are short of rainfall during the months of June, July, and August. Obviously the Cotton States are not desirable locations.

Still Only an Idea?

Herty's tended pines could definitely be the basis of an industry, but remain at present just a bright idea in spite of all the publicity. Nature puts a forest on the ground cheaply and doesn't charge interest. Any forests created by man, especially in the density required for "mechanical reaping," cost at least \$1.50 to \$2.16 per thousand seedlings in the South exclusive of land costs, a sum which gains considerably at compound interest over a short or long period of

time when applied to a project the size of forests.

Due to the marvelous recuperative powers of Southern cut-over forest lands, influenced by soil and climatic conditions especially favorable, the properly managed forests of the South could support present American forest industries in perpetuity, and will support them. However the organization of American forest management to this pitch of efficiency, to say nothing of the immense public lassitude to be overcome, will take at least 20 years to accomplish to the point of sustained yield. The American Institute for Economic Research concluded in its report that present wood supplies would make Herty's procedure unnecessary if so managed, and that the South needed more than anything else organized forest management to become the cornerstone of a pulp and paper industry.



A TINY PATCH of the millions of acres of Canadian spruce forests, as seen from the air. It is estimated that newsprint produced from these forests for United States consumption alone will total some 2,500,000 tons in 1940.

—Photo by Margaret Burke-White.



FOURDRINIER KRAFT — LINER and CORRUGATING

CYLINDER BOXBOARDS — FOLDING and SET-UP

UNBLEACHED SULPHITE PULP

NEWSPRINT

DIRECT RAIL OR OCEAN TRANSPORTATION

BATHURST POWER & PAPER CO. LIMITED

BATHURST, NEW BRUNSWICK

Montreal: SUN LIFE BLDG. Sales Office: TORONTO: 159 BAY STREET
Cable Address: "Wongan" Code: Bentley's Second Phrase

NEWSPRINT PAPER

Daily Capacity 580 Tons

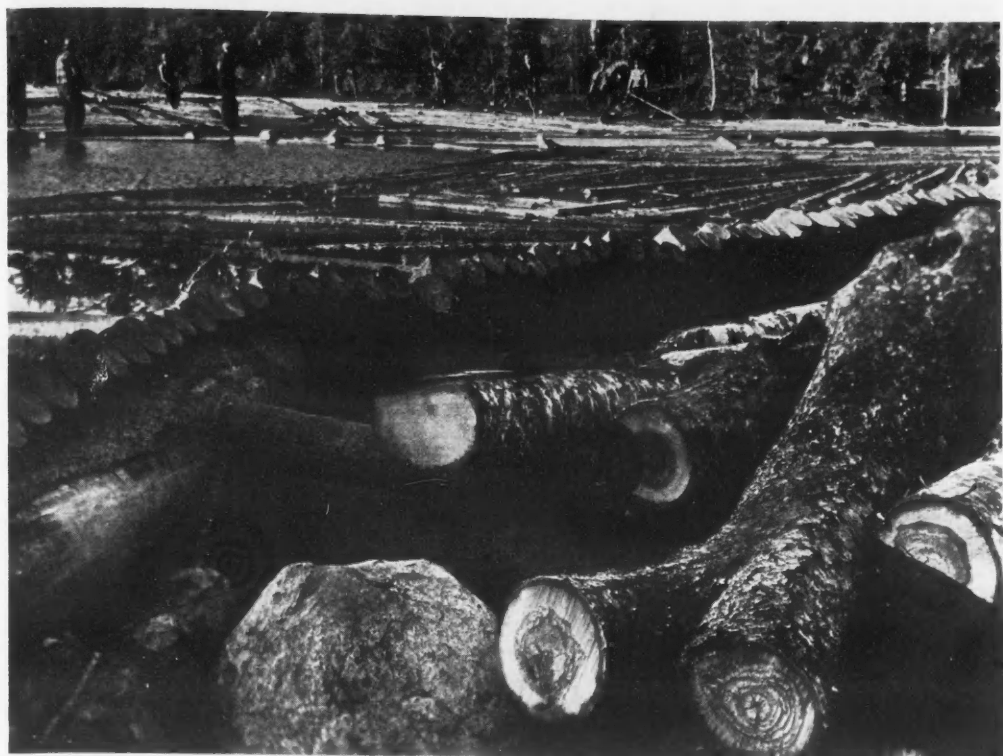
and

UNBLEACHED SULPHITE

Owens timber limits on Manicouagan River, Sault-au-Cochon River and Montmorency River, Quebec; owns and operates four-machine-mill at Quebec City. Direct communication with both Canadian Railways. Privately owned deep water wharf on St. Lawrence River.

OFFICES AND MILLS AT QUEBEC CITY

ANGLO-CANADIAN PULP AND PAPER MILLS, LIMITED



LOWER END of the mill pond as seen from an improvised log dam. The quiet water serves as log storage and as a place where unwanted logs can be weeded out. From here the logs are steered to the jack ladder, then into the mill. —Photo by Margaret Bourke-White.

Canada's Pulp and Paper Is Fast-Growing Industry

"TO BE without wood in time of war," said Dr. Karl Claudius the other day, at the conclusion of his latest trip through the Balkans as Hitler's economic field general, "is almost as bad as being without bread."

The doctor was being frank. His comparison is as trenchant to the few remaining nations who have wood as to those who must buy it. Wood in the form of pulp and paper has become important to millions of men in the last two decades, and its future in this country seems as bright as it has ever been.

Canada had wood last year, when she was at peace and the crops, rocks, electric power from rivers, and trees of this country were the four basic foundations of our economic life on which the nation has been built. And Canada continues to have wood in this war year, an abundance of it, when wood is more important as a raw material than ever.

Moreover Canada's use of wood has become since the last war our biggest manufacturing industry, so that our exploitation of forests in this struggle can be many times more effective than it was in 1914.

A Vital Industry

Through years of peace phenomenal development in the production of pulp, paper and pulpwood has made our pulp and paper industry one of the great ones of the world. Before the First Great War pulp and paper production was 350,000 tons a year. Today it is 4,300,000 tons, 1,400,000 of them of boards and paper other than newsprint, including export pulp.

Pulp and paper's progress is of prime importance to the nation. What were minor branches of the industry, bond, writing, and tissue papers, came to amount to a tonnage in Canada alone of 650,000. From 1925 onward, world consumption of paper products gained 50% until it had reached 1939's 33,000,000 tons a year. Since the 1933 depression, Canada's production of it has doubled to 4,300,000 tons. In dollar volume the products of the mines and farms are larger, but the prosperity of agriculture and of the hydro-electric plants, the latter providing more than 40% of their total power for pulp manufacture, depend in part on the prosperity of the industries taking products from our forests.

For the manufacture of pulp and paper about 100,000 men are engaged in mills and bush. From the 99 pulp, paper, and pulp and paper mills spread through six of our provinces, many of them surrounded by towns and communities which they have created and which look to them for support, \$9,000,000 a year goes directly to Canada's farmers in the surrounding countryside for food, livestock, and community supplies.

Plant materials are purchased abroad from Texas to England, and at home, to the tune of \$64,259,387 for pulp making and \$93,916,833 for paper making. The purchase of \$18,000,000 in electricity and the disbursement as well of over \$50,000,000 in wages and salaries each year are other items. Pulp and paper are thus vital to more than forty Canadian communities.

Huge Foreign Trade

Due to the export of 85% of the pulp made and 77% of the paper and boards manufactured, the trade abroad of this industry which spends so much at home, is also very great. Its balance of trade, that is to say the products it sells abroad over the amount of supplies it buys abroad is usually over \$105,000,000 annually, and in this respect its effect for the better on our national welfare is greater than that of agriculture.

One has to be a Dr. Claudius to know what wood can mean to a

smoothly running war these days. Geographical and climatic advantages and the presence of large spruce and pulpwood forests have endowed Canada with a great amount of suitable wood. For the purposes of clarity we digress here to some of the unfamiliar demands which will be made on the industry in addition to its necessarily expanding production as war takes other manufacturers off the market.

What independence in the matter of war materials Germany may have is due to her research in wood chemistry since the Kaiser's time. Wood in rayon form, wood cotton, and wood wool now form a quarter of all the common textiles in Germany and make up a fifth of every uniform in a nation where uniforms are Sunday's best. There exist in Canada factories producing rayon. Wood sugar comparable to corn syrup has been developed in Germany as food for men and animals. We have factories recovering wood sugar to produce baker's yeast. The Nazis go us one better by generating gas from wood to operate some of their engines.

For the myriad paper items, rayon stockings, and molded brush handles familiar on this continent, Germany has its war comparisons in trinitrocellulose, or gun cotton. Millions of tons of it were thrown away on this continent in the manufacture of cellulose until war began and we salvaged it to make munitions. Alcohol and other solvents, glycerol and linked explosives, acetic acid and like chemicals used to produce poison gases and munitions are had from wood. A special filter of woodpulp fills the respirators of the gas masks which troops use to repel gas attacks. Smokeless powder is made from wood. Black powder has added charcoal to enable gunners to determine ranges. Rosin is employed because of its brittleness to fill the space between bullets in shrapnel. Turpentine, which our forest trees have in limited degree, is used in flame throwers.

When air supremacy is important, plywoods are competing with metal in plane development. The Heinkel works stamps out three fighter planes and 20 fuselages a day from wood compressed, laminated, casein-glued, and molded at pressures of 12,000 pounds to the square inch.

Low-Cost Plastics

Wood pulp enters into modern low-cost plastics, artificial materials which better their original components. From sawdust refuse molded instrument panels, switchboards, dial knobs, and innumerable articles are being made for our forces on land and sea and in the air.

Another development of use in aerial and mechanized warfare is the employment of lignin, a derivative of wood, in storage batteries. Improved lignin manufactured as a component of the negative plates of batteries enables them to maintain their maximum power in zero weather four times as long as formerly, and permits the use of smaller and lighter batteries. When the same lignin from the sulphite liquor of the pulp and paper industry is hydrogenated, a type of compound is produced which is useful for changing ordinary gasoline into fuel with an octane rating suitable for airplane engines.

Even parachutes, formerly of Japanese silk, are now made from wood fibres.

And one of the most effective and insistent weapons in this war—propaganda—is printed on paper made from wood.

To return home and consider the peaceful obverse of the industry, no more hopeful statement on the prospects of the pulp and paper business has been made than that of R. A.

McInnis at the Montreal convention of the Canadian Pulp and Paper Association. President of the Association for the past four years and a man in a position to know the industry both intimately and accurately, Mr. McInnis analyzed the picture at length. Canada now had, he said: "The opportunity to supply an increasing amount of newsprint tonnage to the export markets of the world, in addition to the United States, due largely to the fact that the producers of European countries have been finding a more profitable and more expansive market to supply pulp for the more increasing demand of paper products or for the manufacture of these same products."

"The second opportunity, of which real evidence has been seen in the past few years, is the production and sale of paper and board products, other than newsprint, for consumption in this country and for export to European countries. I estimate that the production of board products alone, in this country in the near future, will develop tremendously and will, I am certain, reach a production of 1,500,000 tons annually in the next 20 years."

"Again, the United States has been importing from Europe during the past few years about 2,000,000 tons of pulp products, and we have a third opportunity to participate materially in that market in the supply of pulp for their present and increasing demand."

Economic Advantages

The two great economic advantages which gave Canada these opportunities are our supply of wood, presented in detail in another part of this section, and the immensely greater consumption on the world market in the last few years of the products of pulp and paper.

Despite a depression, the industry has seen world consumption of paper products and board gain from twenty-six million tons in ten years to the present 33,000,000. During the decade now concluding, world consumption gained by an amount over twice the total maximum production of this nation. Newsprint is one of the major products of Canadian origin in this world trade yet many people do not realize that it fills only 29% of the demand on the whole market.

Increases in paper consumption have taken place in the fields of paper board, kraft, book, and writing papers, and in the huge familiar miscellany of paper articles. Letterhead and bond and ledger stock, thin paper and mimeograph sheets, blotting, offset and label papers, text and cover papers, wedding, index and printing bristols, map and drawing papers, boxboards, filters of all sorts, specialties like fibre window shades, towel and building papers, advertising pieces, coated stock, heavy bag papers.

A part of this development has been due to the insistence on higher standards of sanitation, and the resulting paper or cellophane wrapping of edibles or perishables displayed, the advance of hygiene, and the startling advance of mass distribution and merchandising as an adjunct on this continent of low-cost mass production. Lower prices and advertising value of individual packagings are other features.

Subsidiary factors have been our favorable geographical location, which enables us to supply pulp and paper to almost any civilized country, and to serve as well the important markets of the northern United States; and the immense amount of developed and potential electricity which this country has. In the St. Maurice valley of Quebec, the world's greatest paper centre, one power firm

(Continued on Page 22)

PROVINCE OF QUEBEC

IN THE VAN OF FOREST WEALTH AND PRODUCTION

The Province possesses the most extensive forest areas in the Dominion—323,000 square miles.

The annual value of pulp, paper and sawmill production exceeds \$127,000,000. Capital invested in these industries (1937) exceeds \$300,000,000.

Quebec produces about 29% of the Dominion's Industrial output and about 49% of the total pulp and paper output.

In spite of the rapid increase in the public debt during the past three years, its finances are inherently sound.

HANSON BROS.

INCORPORATED

DEALERS IN HIGH GRADE SECURITIES

Dominion, Provincial and Industrial

56 Sparks Street
OTTAWA
Phone 2-5378

80 King Street, W. - Toronto
ADelaide 6408

255 St. James St., W.
MONTREAL
Harbour 9281

Rolling Down to RIO



International Trucks, Tractors Cut Costs, Save Time on Big Water Conductor Project

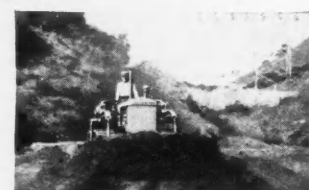
Brazil moves ahead on its march of progress, with a 60-mile aqueduct under construction to bring water to beautiful Rio de Janeiro. Thirteen thousand 22,000-lb. iron and concrete tubes will carry the water. The great project demanded the best in engineering skill and equipment.

International Trucks and Diesel TractorTors "rolled down to Rio" and went to work for Dahne, Conceicao & Cia. (Adductora Ribeirao Das Lages S. A.), clearing, grading, and preparing the right-of-way; transporting tubes,

materials, and supplies; and easing the heavy tubes into the trench.

Thanks to the ability of 18 International Trucks and 9 International Diesel TractorTors, a great city's dream becomes reality!

The world is dotted with such International records. If you have a truck or tractor job to do, there's a powerful International that's built and styled for your work. Ask the nearest International dealer or Company-owned branch for a demonstration.



International TractorTors clear and grade the right-of-way.



Easing 22,000-pound tubes into place. No cracks, no damage!

INTERNATIONAL TRUCKS



Backed by 85 Years' Experience

In the pulp and paper industry — as in every other industry—the name Taylor is standard for temperature, pressure and flow instruments or control systems. Taylor engineers are ready at all times to help industries solve their problems in this connection.

TAYLOR INSTRUMENT COMPANIES
OF CANADA LIMITED
MONTREAL TORONTO WINNIPEG

TEMPERATURE, PRESSURE, FLOW

The Trend of Pulp and Paper Consumption

FORESTS are Canada's grab-bag. A trio of industries are based on the forest—lumbering, the manufacture of pulp and paper, and the production of newsprint paper. From pulpwood ground by stones or chemically "digested" into wood fibre or pulp, comes the raw material for these last two industries, and the fabrication of rayon.

Shown here are trends of production and consumption of wood pulp; Table 1, source U.S. Pulp Producers Ass'n., at bottom of page.

Our paper industry makes nine-tenths of its paper from wood pulp, and is the leading consumer of pulpwood. The extraordinary jump in pulpwood production between 1925 and 1938 was continued to 26,200 thousands of tons, approximately, in 1939, states the American Pulp & Paper Ass'n. The rise is remarkable when it is considered that the U.S.A., the major consumer, is not fully recovered from depression. A second fact of interest is that American production of wood pulp has fallen while consumption has increased; 1939 imports have expanded to 2,016,552 tons.

Chart I shows the state of paper consumption in Canada's leading market, the U.S., and the world. Chart II converts paper consumption to its pulpwood and wood pulp equivalents, and computes a rate of increase of these markets; incidentally at far greater rate than actual increases. U.S.P.-P.A.'s high estimates of a 40,000,000 ton world market for pulp, paper products and board, and newsprint in actual figures 33,000,000 tons for 1939. Nevertheless the trend of consumption is upward.

Table 2 lists the subsidiary countries making up the foreign market where per capita increases of paper have taken place, and in which Canada must compete for future markets. Demand doubled in Argentina to 26.6 pounds; in Australasia rose from 43.5 to 88.1 pounds from 1922-36. Also increased in Japan to 12.7 pounds, and is increasing in France. The American Institute for Economic Research, which assembled these charts, took this one from League of Nations statistics, and on further investigation states that the coming markets for paper products, board, and newsprint are outside the United States. Newsprint consumption, the Institute states, increases where illiteracy is decreasing, the standard of living is rising, and where there is a degree of prosperity (Inset in Table 2 is chart of relationship between decrease of illiteracy and rising newsprint consumption.) These conditions are being approached in South America, but not as yet in British India, the greatest potential Empire market for newsprint. Future market expansion in such countries will lead to the forecast increase in the pulp market above if literacy continues to mount as at present.

Chart IV shows how a flattening population trend is hampering the increase in paper consumption in the United States. And displays the rates of market increase for types of paper.

Rapid increase of paper consumption in America to 12,750,000 tons following depression indicates that nation has not yet reached its maximum per capita use of newsprint in spite of the failures of independent newspapers, the new American phenomenon of newspaperless towns, and successes of graphic magazines.

Newsprint consumption has increased per capita from 32.5 (1914) to 58 (1927) and 57 pounds (1939).

Producers of wood pulp find rates of increase greater in mar-

CHART I
U.S. AND WORLD PAPER CONSUMPTION
1900-1960

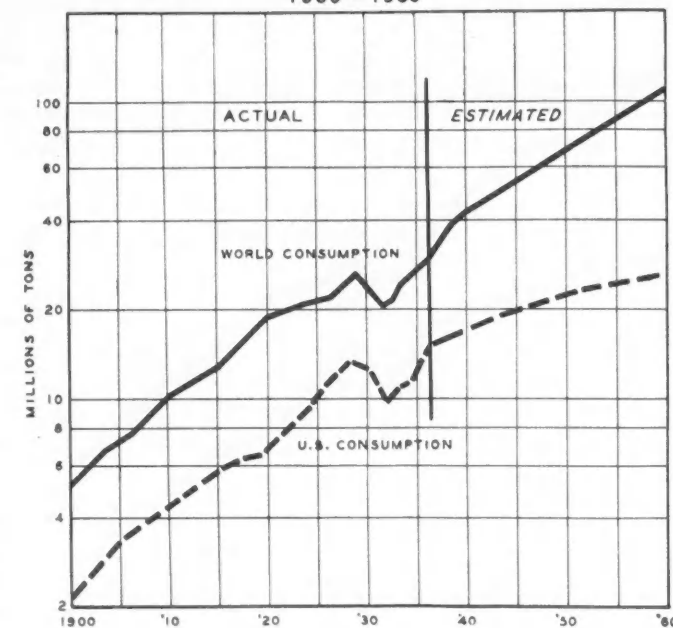
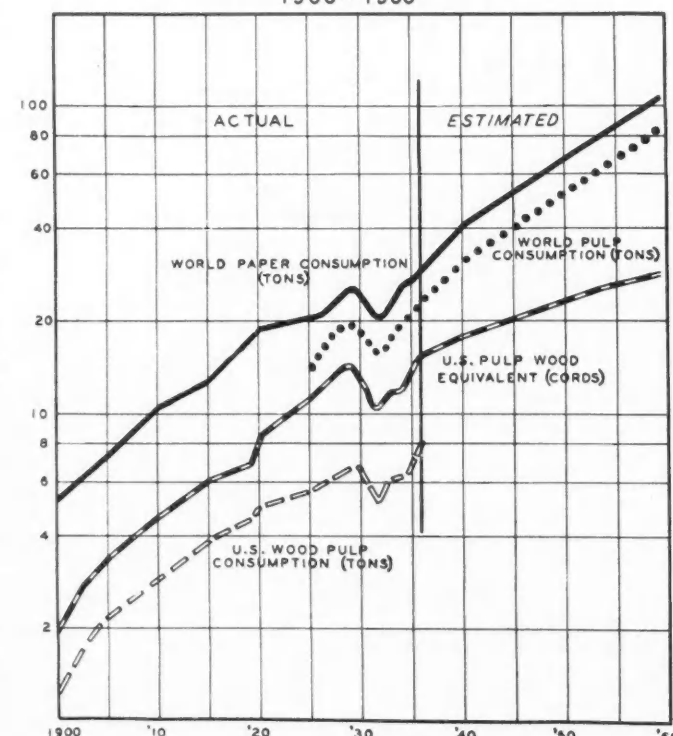


CHART II
U.S. AND WORLD PAPER & PULP CONSUMPTION
1900-1960



kets for paperboard, wrapping, book, and writing paper, etc. Paperboard consumption rose to 97 pounds in 1939. Book paper's increase is computed at 25% long term.

Industries other than paper are rapidly expanding their use of wood pulp. Most important of these are diagrammed on Chart V, the rayon, and transparent cellulose film industries.

Total U.S. rayon production for 1939 amounted to 384,200,000 pounds, 12% greater than 1937's record—and is still in the developmental stage.

Textile Economics Bureau of New York writes that in 1939 the U.S. produced 29% of the world's rayon filament yarn and 5% of the world's

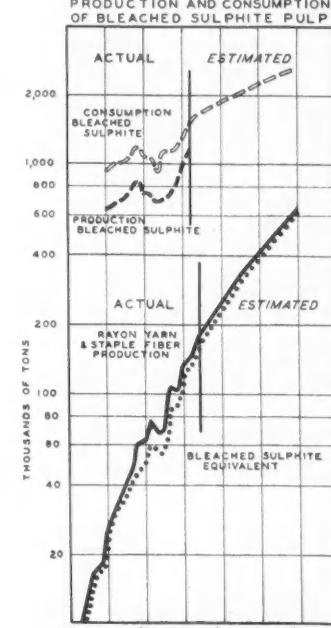
staple fibre output. The U.S. production exceeded that of Japan by 45%. U.S. production of rayon staple fibre showed a large increase over 1938 but amounts to only 5% of the world total.

Chart V delineates the past and probable future of U.S. rayon, together with total consumption and production of bleached sulphite and the bleached sulphite equivalent of rayon production.

Japanese production of staple fibre and rayon has increased even more rapidly—from 27 million pounds in 1929 to 320 million pounds in 1938. Japan sold 200,000 pounds to Canada that year. The importance of this large market to pulp producers can be

Japanese market, Japan has few forests to speak of and is this year talking about orders of 100,000 tons without credit guarantees. American rayon producers, now that Germany is out of the market are competing strongly for the trade which went to Japan.

CHART V
U.S. RAYON PRODUCTION, & PRODUCTION AND CONSUMPTION OF BLEACHED SULPHITE PULP



A Typical Company Town

IN THE midst of an Ontario spruce forest covering 4,771 square miles and operated on a selective cutting basis are situated the newsprint plant of the Spruce Falls Power and Paper Company and its town of Kapuskasing.

Kapuskasing, one of the show places of the province, is not only an example of successful town planning, but of the industrial growth and increased population accruing to Canada in the north.

The Spruce Falls Power and Paper Company is a subsidiary of the Kimberley-Clark Corporation of Neenah, Wisconsin, which located on this site in 1921 a small sulphite pulp mill. By 1926 the New York Times Company became interested in the extension of the undertaking at Kapuskasing to include the manufacture of newsprint and a newsprint mill of 600 tons daily capacity with additional sulphite pulp capacity was completed by 1928, drawing its labor from the nearby town created by the industry across the Kapuskasing River and now twelve years old.

Spruce Falls Power and Paper Co. produces all the newsprint used by the *New York Times* and supplies newsprint to other American papers, and sulphite pulp to the Kimberley-Clark Corporation for the manufacture of its paper specialties, Kleenex, Kotex, Sanex, etc.

Kimberley-Clark also produces rotogravure paper for three-quarters of the North American newspaper publishers who put out rotogravure sections. During the depression the rise of specialty advertising in rotogravure and color sections was the only remarkable gain in newspaper revenue. This part of Ontario supplied 150 tons of pulp daily for use in rotogravure sheets.

Wood and Power

The paradox of northern operation in Canada is that it requires a permanent force of highly skilled urban labor that is isolated necessarily from adjacent centres by the size of forests supplying wood to the mill. In addition, for the establishment of a town the site must be near a very definite source of electric power exploitable at present prices, the company must have a continuous market, and must be modern and efficient enough in isolation to meet ultra-modern competition on its own ground a thousand miles away in the United States.

At Kapuskasing more than a thousand of the 3,499 townsfolk are employed in the newsprint mill or bush in some stage of the manufacture of pulp or newsprint. Paper is made in a sheet 234 inches wide at the rate of 1250 feet per minute on each of the four newsprint machines, and very expert machine tenders in considerable numbers must be on hand to produce the 600 tons of paper shipped by freight car every afternoon.

realized in 1938 increase—170,000 more tons of sulphite pulp were needed. Japanese estimates are for ultimate production of 480,000,000 pounds of staple fibre and rayon.

While Pacific Coast mills of the United States now dominate the

	1925	1927	1929	1930	1931	1932	1933	1934	1935	1936	1938
U.S.A.	5,588	5,952	6,690	6,412	5,952	5,194	6,140	6,099	6,687	7,799	8,962
Canada	1,835	2,424	3,210	2,878	2,560	2,224	2,377	3,038	3,222	3,815	4,291
Germany	1,682	1,942	2,118	2,088	1,799	1,649	1,680	1,990	2,146	2,465	3,264
Great Britain	1,042	1,231	1,404	1,303	1,215	1,458	1,508	1,739	1,733	1,886	2,168
Japan	542	670	771	781	738	720	863	1,030	1,128	1,231	1,500
Sweden	610	705	844	875	700	782	720	966	970	971	965
France	469	424	640	704	594	587	249	763	759	834	1,119
U.S.S.R.	138	259	369	507	526	484	535	582	657	775	819
Finland	284	344	361	408	329	359	412	570	566	589	760
Norway	351	414	450	459	208	391	381	446	406	411	483
TOTAL	14,054	16,013	19,043	18,590	16,678	15,821	17,523	19,483	20,682	23,077	24,323

	1925	1927	1929	1930	1931	1932	1933	1934	1935	1936	1938
U.S.A.	3,962	4,313	4,863	4,630	4,409	3,760	4,276	4,436	4,926	5,715	6,600
Canada	2,273	2,279	4,021	3,619	3,168	2,663	2,980	3,636	3,868	4,550	5,141
Germany	1,763	2,013	2,296	2,249	1,944	1,843	1,912	2,178	2,135	2,550	3,926
Japan	457	591	1,082	680	625	607	683	778	826	866	927
Sweden	1,991	2,302	2,800	2,680	2,423	2,201	2,825	3,163	3,828	3,478	3,767
France	689	852	1,072	1,106	1,195	1,392	1,520	1,728	1,904	2,086	2,380
Finland	896	902	1,056	1,027	608	992	943	1,083	949	1,047	1,186
TOTAL	13,962	16,020	18,974	18,453	16,684	15,645	17,491	19,344	20,782	23,189	26,027

PER CAPITA CONSUMPTION OF PAPER BY LEADING COUNTRIES (IN POUNDS)

	1899	1904	1909	1914	1919	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
United Kingdom	89.5																
Germany	100	104	108	110	100	94	80	80	86	94	92						
Belgium	82	86	99	103	93	98	92	94	85	106							
Denmark	58					73	77	73	84	92	97						
Spain	9					12					16	15					
Finland	53					64			57		63	66					
France	31					40			32		37	33					
Hungary	13					21			14		16	20					
Italy	19					18			25		22						
Norway	80	95	89	122	106	78			98								
Netherlands	51					68			71		68						
Poland	11	16	18						12	14							
Portugal	4					7			7		6	8	8				
Roumania	6								7		6	8	8				
U.S.S.R.	45					54					53						
Switzerland	63					83			72	83							
Sweden	30	32				39	35	32									
Czechoslovakia	113	122	132			137	117	116	98	109	121	128	129				
Canada	223	182	156	113	179	203	227										
U.S.A.	185																

CHART III
RELATION OF LITERACY TO PAPER CONSUMPTION PER CAPITA

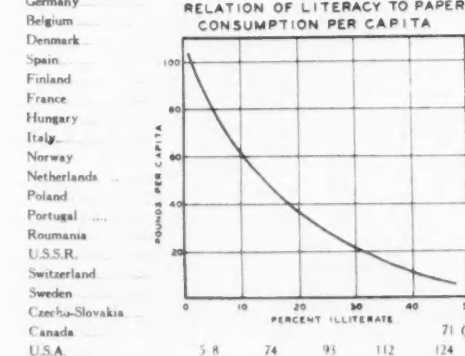
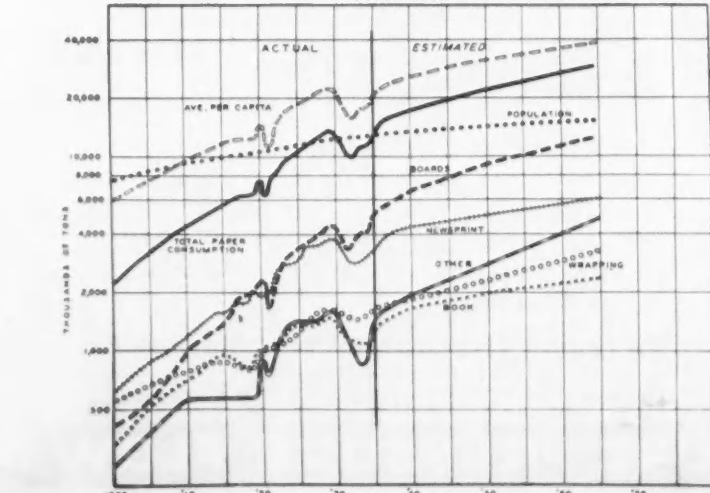


CHART IV
U.S. CONSUMPTION OF PAPER—TOTAL & BY KINDS
1899-1938



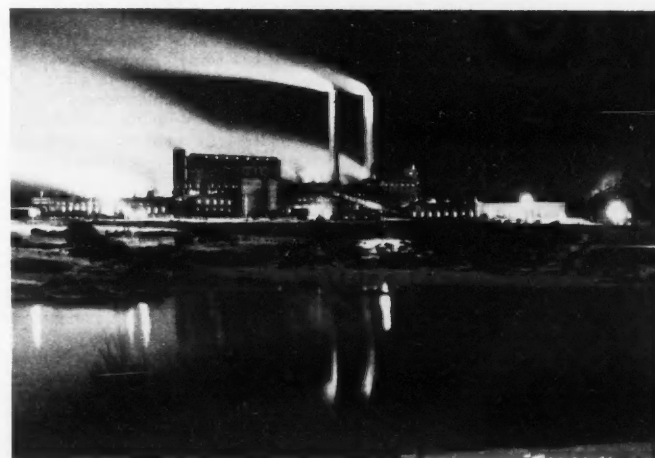
CANADIAN SECURITIES

Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing

**DOMINION SECURITIES
CORPORATION LIMITED**

TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.

15 King Street West, Toronto



THE MILL at Kapuskasing, Ontario, of the Spruce Falls Power & Paper Company which supplies all newsprint used by *New York Times*, employs 3,499.

A large staff of college-trained forest engineers is also needed to protect the forest against spruce blight, fire, to plan selective cuttings in the forest to ensure maximum reproduction through natural seeding, and make sure that the great amount of wood felled is not decimating the forest at a rate faster than wood grows in the vicinity.

A Solid Community

The problem of providing labor was solved by building an entire community of 35 blocks, with two community centers; three churches; public, separate, and high schools; and 325 company houses as well as other individual homes.

The Kapuskasing which in the Great War was an army prison camp, because it was so far from anywhere that escaping prisoners could travel for days and still be lost, now covers 891 acres with a land value each of \$371. In the municipal accounts of the province the assessed value of the town per capita is \$675 and taxes are \$51.93. This town, representing an investment close to five million dollars, had in 1939 a debenture debt of \$673,174, no loans, no revenue debt for waterworks, etc., and no reserve for uncollectable taxes. Tax collections at 93% of the 17 mill rate led to a 1939 surplus of \$1,094 in spite of direct relief payments of \$12,002 to the twentieth of the town's population on relief. During the year only ten parcels of property were sold, proof of the low labor turnover and the town's solid establishment.

Kapuskasing is entirely electrically equipped and powered from the company's hydro-electric plant at Smoky Falls on the Mattagami River. It is a town of lawns and gardens with rents from \$12 to \$110 a month, four and a half miles of pavement connecting with the Ferguson Highway, a trunk sewerage system, filtered water, city park, movies, good stores, and a modern hospital fully equipped by F. J. Sensenbrenner. The Spruce Falls Power and Paper company has many interests in the town. Its staff house, the Kapuskasing Community Club and the Kapuskasing Inn, where company employees room and board for \$50 a month are among the largest buildings. At the Community Club townsfolk, either men or women, join, pay annual dues, and arrange their own activities in the gymnasium, auditorium, ballroom, library, billiard room, night school, kitchens, lounge and so on.

The mill itself is a busy place. Em-

ployees are union men protected by both workmen's compensation insurance and group insurance and have their own mutual benefit society. The mill runs three eight-hour shifts at capacity, with maintenance and improvements carried out after the 48-hour week is over. It has its own research laboratory, first aid room and cafeteria. The plant workers are given a free hand in organizing and directing their own activities.

The various things the company does for its workers cost a large amount of money. In addition to running their own town, the townspeople and workmen assist both the company and themselves by attending each year continuous classes in paper making, so that men willing to learn papermaking from the ground up are given every assurance that their jobs are permanent and that larger jobs lie ahead if they are willing to work and accept added responsibility.

Company officials feel amply justified in expending these sums in view of the results obtained. In spite of the isolated location, both town and mill have attracted unusually good citizens, and operation since its inception has been accomplished at the mill with turnover of workers practically nil.



CUTTING wood into 8-foot lengths for Spruce Falls Power & Paper's mill.

A Cycle in Newsprint History

(Continued from Page 13)

been over-emphasized during the brief 1937 period of artificial prosperity. In other words, in August 1939 the decks were clear and the industry was ready for orders.

Then came the war and immediately the outlook changed. From cautious optimism the few newsprint prophets that then existed became openly bullish. The prices of newsprint securities rocketed and the Montreal Stock Exchange Newsprint Index doubled itself in four days. Although the investors had largely overlooked the years of slow progress, they at once did an "about turn," and fought each other to buy paper stocks.

The industry and its leaders can be commended for the policy they have taken following this activity. The sudden realization of the possibility that prosperous times were ahead did not influence their judgment. They did not seize the opportunity to expand facilities, to squeeze the publishers by increasing prices nor have they yet taken any steps which would lead to an unwieldy inventory position being developed.

Thus it can be truly said that present leaders of the industry have profited by the mistakes of their predecessors. In examining the various factors which have developed since the outbreak of war, and which influence the outlook for 1940, this saner policy will be seen as directing the newsprint industry's efforts.

The 10% Exchange Premium

The most dynamic change which came upon the industry was not the immediate rise in demand, although shipments in September 1939 increased 16% as contrasted to an 8% rise in August over similar months in 1938. Rather it came as a result of securing the 10% exchange premium on sales to the United States customers. This in fact raised the base United States price from \$50.00 to perhaps slightly over \$54.00 per ton. This exchange bonus, if maintained, may mean \$10,000,000 additional income to the Canadian industry during the year 1940. In fact some companies will be able to pay the interest on their bonded indebtedness by this medium.

On the other hand, it should be mentioned that there are certain sales made to foreign countries in which the Canadian newsprint exporters lose on their foreign exchange conversions. Sales to England and conversion of pounds to dollars is such an example. Again, the exchange bonus must be considered as a purely abnormal factor which, although it does affect the profit position, perhaps cannot be termed a direct factor in price setting.

We may be sure that the newsprint manufacturers considered these factors when prices for the first half of 1940 were discussed. Despite the knowledge that there would be some increase in manufacturing costs during this period the price was continued at \$50.00 per ton. As this move directly affected the publishers' not-too-well-filled pocket books, it was the best step that could have been taken to cement the consumer-producer confidence. It can truly be said that now as at no time in the past ten years have the Canadian manufacturers deserved such a high degree of that intangible but extremely valuable asset of consumer good will.

Competitive Position

In passing, one subject directly connected with this topic of price must be mentioned. Before the war Canadian newsprint was selling in New York at \$50.00 a ton, but some United States mills sold at \$48.00 a ton, and the Scandinavians were releasing tonnage at a differential of \$7.00 under the Canadian price whatever that level might be, this being the competitive method they have practised for some years. In the second quarter of 1940 there will be little difference between the three quotations, although Scandinavian newsprint delivered at United States ports will probably be sold at a price a few dollars under the \$50.00 base, if shipping costs don't increase.

This is a competitive situation which the Canadian industry has long sought to attain and now that it has been acquired it should protect. One way of doing this is to maintain the present price and only consider increasing it, other factors being the same, if a drastic rise in costs is imminent. This is especially important while the present exchange premium continues and particularly now when most business indices point at least to a temporary slowing down in the United States economy. The wisdom shown in the newsprint price policy adopted during the past two years bids well for a future increase in the stability of the industry.

In this regard the method of announcing price quotations might well be made more flexible. It is to be hoped that the peculiar circumstances which led to the early 1937 announcement of the 1938 price do not occur again. Surely two or three months' notice is a generous treatment for buyers. Other industries equally as important customarily give advanced notice for a period of weeks, or less.

The worst fate that could overtake the industry in 1940 would be the realization that once more it is going to be forced to face another inventory problem. The buyers of newsprint are primarily concerned with the justification of the quantity and not the timing of any price increase. Here again recent pricing announcements would seem to indicate that the above trouble has been recognized and such a situation, if it shows signs of developing again, will be faced realistically.

Certainly a most confusing item connected with estimating Canadian newsprint shipments during 1940 is the possible results of the reorientation of business which followed the outbreak of war.

Changes Made by War

Three main changes occurred. In the first place warring nations cut their consumption and exports. Then as a direct result exporting nations lost some customers and rushed in to acquire others who had been supplied by belligerents. The final and very important factor which was introduced was the difficulty in securing shipping facilities and the greatly increased cost of these means of transport due to higher wages, rates and insurance payments. The net result of this reshuffling process is certainly far from clear as yet, but as it is realized that the average reader would sooner have a rough estimate than none at all, the following paragraphs have been included with some fear and trepidation.

In the year 1938 Scandinavian countries, which stand second to Canada as an exporting group, shipped to the world almost 750,000 tons of newsprint. Of this amount Finland's total was about 400,000 tons. If the war had not broken out the exports of these three countries would have risen to over 900,000 tons in 1939. Barring the war Finland alone might have shipped 200,000 tons to the United States last year.

United States imports from Scandinavia in September and October made new monthly records, but November's total was only half that of October and far below October 1938's shipments. Following the outbreak of the Russo-Finnish war, December showed a still further decline. The first quarter of 1940 should show another decrease in this total as some of the Finnish mills have been closed.

United States imports from Europe in 1939 amounted to 310,000 tons. It would seem natural that this amount should be cut at least in half in 1940, again presuming—as has to be taken for granted in all these forecasts—the continuation of the war. If this forecast is fulfilled Canada should gain at least a like amount, 150,000 tons, in exports to the United States.

The Scandinavian nations formerly supplied England, Europe and American countries with large tonnage of newsprint, but due to the curtailment of consumption, exchange difficulties and lack of shipping facilities it is unlikely that Canada will ship much newsprint at least to the former European customers of the Scandinavian mills. The hope for the Canadian newsprint exporters lies in the Americas. However, contracts even in these regions will not be won without a fight, for all exporting nations realize the truth in Hitler's admonition, "We must export or die."

The wider hostilities become in Northern Europe, of course, the more consumers will turn to Canada as a dependable source of supply. But the reverse of the situation has also to be stated; war destroys purchasing power and competition from these countries will have to be met in probably a more pronounced form after hostilities cease.

As a result of the decrease in newsprint consumption, especially in England, the direction of Newfoundland exports may also be drastically changed in the coming months. In 1938 Newfoundland exported about 200,000 tons overseas. Almost all of this went to England and only about 60,000 tons were sold to the United States. In 1940 the amount sold to England by this country will probably be drastically curtailed.

Although some of this tonnage may be diverted to South American countries a great deal will compete with Canadian exports especially in the United States. A rough estimate might place Newfoundland's exports to the United States in 1940 at say 150,000 tons as contrasted to the 1939 figure of about 100,000 tons. This extra 50,000 tons will be a direct loss to the Canadian exporters and competition from Newfoundland will also be felt in other areas, such as South America and perhaps Australasia.

Canada's own overseas newsprint exports will also have to be re-oriented as might be gathered from reading the above. Canadian exports to England and Eire which amounted to about 240,000 tons in 1939 will of necessity suffer. On the other hand sales to Africa, Asia, Argentina and certain Southern and Central American countries should increase substantially. The amount of this increase is most difficult to even estimate, but should certainly amount to 50,000 tons and might rise to over 100,000 tons.

Will Gains Cover Loss?

The net effect of all these changes on Canadian overseas newsprint exports can only be roughly estimated. However, most informed officials would be satisfied, again presuming the continuation of the war, if the expected gains to other countries covered most of the loss to England. Thus Canadian overseas exports which in 1939 amounted to 475,000 tons may be cut to about 450,000 tons in 1940.

A factor which is likely to experience very little change as contrasted to the items discussed above is Canadian domestic demand. Canadian newsprint consumption in 1939 was about 190,000 tons. It seems likely that this total will advance in 1940 to perhaps 210,000 tons. This increase should follow the expected wartime business expansion and the advance in newspaper circulation.

However, as domestic shipments in 1939 represented only 7% and overseas 17% of our total sales, the real crux of the situation lies in our exports to United States which occupy the other 76%. Here we are on extremely difficult ground, but a few general facts in the situation are fairly clear. United States newsprint production is unlikely to advance more than 45,000 tons from 940,000 tons in 1939 to about 985,000 tons in 1940. The above increase should take care of the output of the new Southern newsprint mill at Lufkin, Texas, which is now commencing commercial production. The United States newsprint industry during 1939 operated at almost capacity which accounts for the slight increase



BLOCK PILE. The logs are cut to four foot lengths, then stacked in huge piles like this which are needed to keep the mill continuously supplied.

—Photo by Margaret Bourke-White.

estimated during 1940.

The one factor which remains and which is by far the most important subject to be discussed is United States newsprint consumption. A whole article could well be devoted to this intricate subject. However, certain facts stand out. United States business, the trend of which largely regulates advertising outlays and newsprint consumption, is likely to suffer at least a temporary setback in the coming months. But, it is not expected that this reaction will be severe or last long. On the other hand United States newsprint circulation statistics have been definitely encouraging. Again it is likely that the ratio of news printed to advertising material should at least hold steady and perhaps record a slight increase.

These factors should overcome any slackening in the gains in advertising lineage which have recently shown an unencouraging trend. Even allowing for this, United States business and newsprint consumption in the first half of 1940 should be well in advance of the similar period in 1939, and if war continues, United States consumption may reach a total of 3,800,000 tons in 1940, a 7% gain over the 1939 total. This would put United States newsprint consumption in 1940 on a higher level than 1936 and only slightly under the record year of 1937.

Shipments to U.S. 1940

Correlating all these factors is an extremely difficult task, but making a reasoned guess, again assuming the continuation of the war on its present basis, and at least no severe drop in United States business conditions, Canadian shipments to the United States may reach a total of perhaps 2,500,000 tons in 1940. This would be an increase of about 14% over the 1939 total of about 2,194,000 tons.

Total Canadian newsprint shipments may increase from about 2,860,000 tons in 1939 to approximately 3,160,000 tons in 1940 a rise of about 10%. If the latter rate of shipments is attained the whole Canadian industry would operate in 1940 at about 73% of 1939 capacity. This could be

contrasted with the 1939 figure of approximately 67%. In turn this would mean that the mills which prorate as compared to the non-prorating and publisher mills might ship at roughly 69% of capacity in 1940, as compared to 58% in 1939.

The above shipment outlook may not appear to be very optimistic, but if this anticipated rise in sales coincides with the continued receipt of the 10% exchange bonus of United States shipments, the year 1940 may well reach a financial peak, since 1929, for the whole Canadian newsprint industry. In the chart placed at the front of this article the sales index shows the rough, but approximate trend. Earnings and profits should follow the same path.

However, warning should be given to newsprint shareholders as some of the deductions which might normally be drawn from the data contained in the chart might prove to be unfounded. In Canada, the industry is divided into (a) mills which operate under the government prorating policy. These companies occupy by far the greatest proportion of the industry's capacity and in the main are the ones which have securities in the hands of the public; (b) Publisher-owned or privileged mills to which the government policy is not applied. And so because of the large increase in capacity in the last ten years, especially in the "b" group, those mills in the "a" group probably will not reach the 1929 prosperity peaks. As the publisher-owned mills customarily run at between 90% and 100% of capacity virtually all the 1940 improvement will be felt by the mills which prorate under the government policy.

Earnings Improvement

Thus, the spread in the percentages between the operating ratios in these two groups, as shown in the above paragraph, which, in 1939, was approximately 11 points may in 1940 be narrowed to 6 points. Still, considering all these factors, 1940 should be a very satisfactory year. It is believed that the 1939 annual statement of the Canadian newsprint companies will prove very interesting reading to

many shareholders. The year 1940 should show a continuation of the previous year's financial improvement, and disbursements, even to some equity shareholders, should be certainly more numerous and generous.

While on this subject, it is only proper to mention that most Canadian newsprint companies, in the latter months of 1939 and certainly in 1940, will receive additional payments from the sale of supplementary production of various kinds of pulp. The importance of this factor cannot be overstressed. Indeed, excess pulp producing facilities which were, in the main left idle during previous years, are once more being fully utilized and should provide a major source of earnings.

Although it is hardly within the scope of the present article, it might also be stated that the earnings of kraft and fine paper companies during 1939 and continuing into 1940 should be at an even higher rate than those of the purely newsprint companies. These factors should increase the present already optimistic outlook for the whole pulp and paper industry.

In passing, it would be only proper to say that it would indeed be a happy newsprint year if it could be recorded that in 1940, at long last, the remaining two important units, Abitibi Power & Paper Company, Limited and Minnesota and Ontario Paper Company, were taken out of receivership. Without appearing to quarrel with the way these companies have been managed, the sooner they are put on their own feet the better it will be. On the day this happens a blot on the whole industry will have been removed, and newsprint will once more be able to take its proper place in the Canadian economy.

Newsprint Marches On

Thus, the cycle from 1929 to 1940 is traced. Perhaps the newsprint industry has not shown the vitality of the mining group but still it has given a good account of itself. Mistakes have been made and have been corrected, but many long-term problems still lie ahead; the present governmental prorating policy has not been fully applied to all mills by the Provincial governments and as a consequence, inequities may cause trouble in the future; the newspaper has not shown much resourcefulness and its share of the advertising dollar has been steadily cut; other lands with lower wages and standards of living have made inroads into markets formerly held by Canadian producers and this year will witness the first commercial test of the economic feasibility of making newsprint from southern United States pine. In addition, it is only wise to sound a warning that some of the developments mentioned above which followed the war, such as obtaining the United States exchange premium, must be considered from the long-term standpoint as abnormal factors.

With all this in mind perhaps it is not too much to hope that at the conclusion of the war the members of the industry will have so buttressed themselves financially, and with long-term contracts, that they will be able to weather the expected storms that we may be sure will continue to occur in the business cycle.



THE GREAT LAKES PAPER COMPANY LIMITED

Manufacturers of

High-Grade Newsprint and Sulphite Pulp

THE FORT WILLIAM MILL has modern equipment including two paper machines (304" and 264" respectively) affording an annual capacity of 113,000 tons newsprint, and also excess sulphite mill capacity sufficient to provide approximately 20,000 tons annually of unbleached sulphite pulp for export.

The location of the Mill is particularly favorable for low cost operation. The Mill is situated on tide-water, has facilities for storage of newsprint and pulp for water transportation at low rates to American consumers, operates its own coal handling plant, and is able to take advantage of cheap vessel transportation on coal and other operating supplies. Power is supplied under a contract with the Hydro Electric Power Commission of Ontario. The Mill is served by the Canadian Pacific and Canadian National Railways. Its location on the Kaministiquia River also affords facilities for convenient transportation to the Mill, by driving and rafting, of raw pulpwood supplies.

PAPER MILL AT FORT WILLIAM, ONT.

TORONTO OFFICE: 55 YORK STREET

Board of Directors

HON. W. EARL ROWE
A. D. COBBAN
RAY LAWSON
L. L. BOWYER

C. B. SHIELDS
L. E. ALDRICH
R. G. MEECH, K.C.
W. J. PALMER

SENATOR N. M. PATERSON

Officers

HON. W. EARL ROWE
President

A. D. COBBAN
Vice-President

CHARLES ENGLAND
Assistant to the President and
Secretary-Treasurer

F. K. CARLISLE, C.A.
Assistant Treasurer

JOHN E. GEFAELL
Vice-President in Charge of Sales

...Taking Guesswork out of Buying a Home ...



WHEN you put your hard-earned money into a house, you want to be sure the hidden construction is right.

ESPECIALLY THE INSULATION. You can't see it. But what a difference the right kind can make in your fuel bills. Your comfort. Your family's health!

NEW PLAN BASED ON TEN/TEST

Realizing that people want to buy on knowledge instead of guesswork, leading builders in many sections of Canada are joining in a new plan—CERTIFIED HOMES.

In these new homes, only TEN/TEST—the rigid, permanent insulating board—is used. Because of TEN/TEST, each home is Certified ... to keep heat inside

in winter. Keep it outside in summer. Cut fuel bills. YES! ... FOR THE LIFE OF THE HOUSE.

BETTER INSULATION FOR YOUR HOME

While this Certified Homes Plan may not yet be available in your community, you can get TEN/TEST throughout Canada. The very same insulating material chosen by leading builders for Certified Homes!

Why are these builders willing to stand back of TEN/TEST? What advantages does TEN/TEST—the original insulating board—give you?

1. TEN/TEST is permanent. Insulates for the life of the building.
2. Is strong and solid.
3. Provides constant, lasting fuel savings.
4. Eliminates wood lath. Cuts plaster and labour costs.
5. Is not affected by dry rot.
6. Cannot let air and moisture leak through.
7. Reduces noise.
8. Being rigid, it cannot settle away from window and door frames or studs.
9. Practically eliminates ugly plaster cracks.
10. Meets Government insulation requirements under the National Housing Act.

If you are planning to buy or build, be sure your home is insulated with TEN/TEST—already used in more than 45,000 Canadian homes. Ask your builder about TEN/TEST today, or write for detailed information and samples to: INTERNATIONAL FIBRE BOARD LIMITED, OTTAWA, ONTARIO.

TEN-TEST

THE Lifetime INSULATING BOARD

ST. LAWRENCE CORPORATION LIMITED

Controlling

ST. LAWRENCE PAPER MILLS COMPANY LIMITED
LAKE ST. JOHN POWER AND PAPER COMPANY LIMITED
BROMPTON PULP AND PAPER COMPANY LIMITED

Manufacturers of

**Newsprint Paper
Sulphite Pulp
Groundwood Pulp**
Annual Capacity All Grades
400,000 Tons

Mills at

THREE RIVERS, QUE.
DOLBEAU, QUE.

EAST ANGUS, QUE.
BROMPTONVILLE, QUE.

Head Office:—

SUN LIFE BUILDING • MONTREAL

Canada's Pulp and Paper Is Fast-Growing Industry

(Continued from Page 19)

supplies 225,000 horsepower daily to 20 newsprint machines at Three Rivers, 8 at Shawinigan Falls, 8 at Grand'Mère, and to 7 kraft paper machines at Three Rivers. Continuous electric power providing uninterrupted operation is essential for the production of pulp and paper, and one of the reasons for Quebec's success in the industry.

Other Than Newsprint

Last year 25,000,000 of the 33,000,000 tons of pulp and paper products made in the world were papers and boards other than newsprint.

In 1939 Canada produced 1,400,000 tons of pulp and paper exclusive of newsprint tonnage, and sold it largely in Canada for \$70,000,000 of the combined paper product, board and newsprint total of \$196,000,000 realized. Prior to 1939 in a short period of time a great increase in consumption of paper products and board had taken place in the United Kingdom, and world markets elsewhere.

Markets have become available in this branch of the industry which should make it possible for us to increase the paper products and board section of the pulp and paper industry by the mentioned 1½ million tons in the next twenty years. And to this expanding consumption of products other than newsprint throughout the world, it is expected, the increase of newsprint tonnage from Canada to the export markets of the world will be due, as newsprint production is reduced in countries where other products are more attractive or where newsprint manufacture is no longer economical. Conservative estimates run to a figure of a million tons.

War Increases

Similar war increases were recorded by wrapping paper and lightweight specialties. Wrapping paper, 6% above 1938 production, rose 16% after the fighting broke out, and continues with plenty of unused capacity in hand. Canadian fine paper mills are receiving orders from countries whose European imports are cut off, but so great is the pressure of domestic orders that shipping is slow.

Mechanical pulp's situation was eased by the rise of \$4-\$7 a ton which war brought about in the delivery of Baltic shipments. Ground wood production also has been firm, and forecasts have been made that 1940 production will be entirely shipped.

Demand for chemical pulp was immediately stimulated by war, the unexpectedly swift operation of the Ministry of Economic Warfare, and the naval action of the British and German blockades, which caused uncertainties in European deliveries to the British Isles and North America. The advantages of depreciated currency and direct and indirect subsidy enjoyed by some European exporters to South America were offset at once. Today chemical pulp stocks on hand are half of last year's and the industry is sanguine as to 1940 production.

Official statistics for pulp and paper carloadings for the first three weeks of 1940 are 7,076 cars against 5,776 for the same period in 1939. Pulpwood loadings gained from 4,408 to 5,100 cars for the comparative period.

Most important to Canada pulp producers is the United States market. We present the import tonnage of that country for 1939 in detail:

GROUNDWOOD				
	December 1939	December 1938	12 months 1939	12 months 1938
Finland	1,699	3,454	20,148	16,782
Norway	56	—	118	514
Sweden	7,606	1,805	44,978	19,263
Canada	21,104	12,107	162,374	133,821
Total	30,465	17,366	227,618	170,470
SULPHATE				
	December 1939	December 1938	12 months 1939	12 months 1938
Unbleached	78,493	54,785	544,858	426,468
Bleached	11,366	8,933	108,906	90,173
Total	89,859	63,718	653,764	516,641
Divided by nations:				
Finland	24,589	7,979	129,307	71,668
Norway	2,710	1,081	15,825	12,370
Sweden	45,450	45,339	387,998	349,383
Canada	9,413	9,319	105,525	82,552
Others	9,697	—	15,109	668
SULPHITE				
	December 1939	December 1938	12 months 1939	12 months 1938
Unbleached	67,638	66,538	661,338	688,189
Bleached	46,215	40,517	473,832	337,659
Total	113,853	107,055	1,135,170	1,025,848
Divided by nations:				
Finland	18,866	17,574	185,532	170,368
Germany	—	3,530	21,290	37,968
Norway	7,331	7,168	79,689	57,481
Sweden	44,033	46,363	436,174	438,483
Canada	41,410	23,847	365,927	253,316
Others	2,193	6,593	46,508	68,032

Unmentioned as yet are the uses for pulp which have nothing to do with paper and board.

The cellulose molecule consists of 200 to 1200 groups of atoms each like the other. The market variations of cellulose are brought about chemically by altering or adding to the unit pattern of the cellulose molecule without creating other substances. By this means various cellulosic compounds can be made from wood, the cheapest source of the material to date, and varied according to desired solubility, viscosity, etc.

A major industry developed since the last war is the commercial exploitation of cellulose derivatives, some having given rise to whole new industries.

Transparent film of regenerated cel-



THERE'S NO ROOM for sissies in the woods end of the pulp and paper industry. Still, river men rank as top-dog daredevils in an occupation which has no lack of danger.—Photo by Margaret Bourke-White.

lulose is trade-marked cellophane and has gained wide use in the packaging of groceries, candies, hosiery, shirts, drugs, tobacco, in fact any small individual items which must be kept clean, and dry or moist to retain their freshness. Meats, fish, lotions, in fact thousands of items are protected by this film, the chief ingredient of which is wood pulp.

It was not until 1931 that the chemical research on cellulose of the preceding ten years was put to its commercial test. By 1936, the continued discovery and marketing of new pro-

American production of staple fibre for 1939 totalled 53,000,000 pounds, 77% greater than the record of the previous year states the Textile Economic Bureau. The extreme rapidity of this growth is demanding more woodpulp. Staple fibre consumption for 1939 was 100,000 pounds, 88% more than 1938's, when 47,000 pounds of it were imported.

The U.S. production of rayon yarn and rayon staple fibre in pounds by processes, and domestic shipments, imports and consumption for the last three years are:

RAYON FILAMENT YARN			
	1939	1938	1937
Domestic production:			
Viscose and cupra	230,950,000	181,470,000	239,316,000
Acetate	100,250,000	76,155,000	82,365,000
Total production	331,200,000	257,625,000	321,681,000
Shipments:			
Domestic shipments	362,200,000	273,800,000	266,202,000
Imports	175,000	262,000	872,000
Consumption	362,375,000	274,062,000	267,074,000
Exports	1,875,000	1,456,000	1,397,000
RAYON STAPLE FIBRE			
	1939	1938	1937
Domestic production	53,000,000	29,861,000	20,244,000
Imports	47,000,000	23,197,000	20,614,000
Consumption	100,000,000	53,058,000	40,858,000

ducts of cellulose had increased the tonnage of chemical pulp made by a full third to 23,200,000 tons. Improvements in the processing and technique of making alpha pulp made possible the establishment of what has become the fastest growing industry based on wood pulp—rayon.

A rayon machine feeds on spruce wood pulp of the best quality, better than paper mills require, for buying the finest pulp costs less than the chemicals that would be used to remove impurities. Rayon production is large in Italy, Germany and Japan, in the United States has become an \$800,000,000 industry.

Total U.S. rayon production for 1939 was 384,200,000 pounds, 12% greater than the previous record year of 1937. Filament yarn production took a 3% gain over 1937 to 331,200,000 pounds. Domestic consumption of rayon in the U.S. was 462,375,000 pounds, an all time record 41% above 1938. Filament yarn consumed was greater by 32% at 362,375 pounds. A third of the pulp for this huge industry has come from Canada.

World conditions in rayon are changing even more rapidly than in

There are so many derivatives from chemical processes in connection with wood cellulose which reach commercial outlets—transparent lacquers, paper and leather glosses, vanillin from lignin and so on—that by-products are bound to have a lasting influence on the structure of the pulp and paper industry as their commercial acceptance is brought about.

Drain Increasing

With the derivatives from cellulose increasing, it is obvious that Canada's forest drain cannot help but become heavier in the future than it is; a situation affecting, as has been shown, not only the welfare of scores of thousands of Canadians but three of our very largest industries. Due to expansions of production, in many parts of the world the toll of fire and disease plus the annual cut for pulpwood, lumber and fuel is in excess of the annual growth, and there is no doubt that some of the old sources of what is now considered commercial wood are drying up.

Facing as we are, in war or peace, continued heightening of our forest cut to meet growing world consumption of paper products and board, rayon, etc., it is of the utmost importance that the provision of low-cost wood in Canada be treated as the increasing necessity of an industry continually enlarging in spite of its past financial individualism, one whose influence on our economy is rising much faster than our population is growing.

Economic conditions are at present to Canada's advantage. And concerning the world market, R. A. McInnis said recently of Canadian pulp and paper, "I am convinced that this industry today is standing on the threshold of an opportunity for its pulp and paper products that is greater than existed for newsprint in 1921." Forest policy in this Dominion must concern itself with providing cheap wood for the pulp and paper mills here, in line with silvicultural operations which cope with conservation while providing perpetuating areas of cheap timber which can be marketed at extant prices or lower. For the conclusion of war will see Canada faced with fierce export competition from impoverished European pulp makers, themselves providing poorer national markets for our foreign trade in paper products. Added research, in forest growth and utilization; in the technique of creating some of the world's new cellulose industries, or producing for them as they appear; in the marketing of resulting specialties like cellulose plastics and staple fibre, can meet such conditions on the world market.

The co-ordination of activities in the industry to meet these problems with knowledge and adequate organization commences with the planning of our reservoir of cheap wood and can bring not only wartime, but continuing peacetime, expansion within reach of the branches of our greatest forest industry.

B.C.'s Place in Pulp and Paper Picture

ALTHOUGH initial steps to encourage newsprint and pulp production in British Columbia were taken in 1901, it was not until 1912 that commercial development commenced. In the spring of that year the first ton of newsprint produced in the province was manufactured and shipped from the plant of the Powell River Company Limited situated approximately one hundred miles up the coast from Vancouver.

By 1918 this province was producing in excess of 100,000 tons of newsprint annually in addition to 8,000 tons of other paper and 170,000 tons of pulp and ground wood. British Columbia's pulp and paper industries now represent an investment of \$65,000,000; annual production exceeds \$12,000,000 in value; the industry directly employs some 3,000 men with a payroll of between \$4,000,000 and \$5,000,000 a year and indirectly employs an additional 1,500 in auxiliary services such as logging, transportation and shipping.

In 1912 the Powell River plant had a capacity of 65 tons daily; by 1929 this had been increased to 500 tons and later was further augmented to 670 tons. It is now the biggest newsprint mill on the Pacific Coast and one of the greatest individual plants on the continent. The company employs 1500 men, has a yearly payroll of \$2,500,000 and cuts 12,000,000 feet of lumber a month. The port of Powell River is among the five major shipping centres of the province and in an average year 175 ships with a registered tonnage of 200,000 dock there, including 75 deep sea vessels.

Four Large Pulp Mills

In addition to the great newsprint mill at Powell River, there are four large active pulp mills in B.C. at present, the two mills of the B.C. Pulp and Paper Company Limited at Port Alice and Woodfibre employing 400 and 300 men respectively and which were recently, at a cost of over \$1,500,000, converted for handling an increased tonnage of both bleached sulphite and rayon; the newsprint, kraft and specialty mill of Pacific Mills Limited at Ocean Falls, where also approximately \$1,500,000 was spent in improvements in 1937 and 1938; and the specialty mill of the Westminster Paper Company Limited at New Westminster.

In British Columbia it is realized that the era of pulped products is just commencing and new projects mooted

include construction by the Deep River Company of New Westminster of a \$12,000,000 rayon plant in the Campbell River area; the establishment of a 250-ton daily capacity sulphite pulp mill at Prince Rupert and building of a \$5,000,000 rayon mill at North Vancouver.

British Columbia's strategic location affords an opportunity for a wide diversification of markets for paper and pulp products generally and the plants now in operation have made real progress in eliminating waste and production of new products from highly purified sulphite pulps.

B.C.'s P. & P. Exports

While exports of newsprint and pulp in 1938 showed a drop of 28% compared with the figures of 1937, this was due to a general reduction in consumption suffered by the industry as a whole and to the dislocation of trade with the Orient, British Columbia's best customer. During 1938 the Powell River plant was operating only part time and the Port Alice mill was closed down entirely for a period. In January this year, both pulp plants of the B.C. Pulp and Paper Company were operating at capacity and with Powell River Company and Pacific Mills on a six-day schedule newsprint production in B.C. had climbed considerably higher than the prevailing eastern rate of about 69% of capacity.

Distribution in tons of B.C. pulp and paper exports in 1937 and 1938 was as follows:

	1937	1938
United States	206,000	134,000
Orient	85,000	16,000
Australasia	21,000	35,000
United Kingdom and Europe	17,000	7,000

While increase in production was rapid during the first sixteen years after commencement of production and reached 225,000 tons of newsprint alone in 1928, the rate of increase has since lagged behind the adjoining state of Washington; which may well be attributed to the fact that the United States is the great natural market for newsprint and rapid enlargement of Washington State pulp industry with its natural advantages in the home market has probably retarded against extension of B.C. business in this field.

Comparative production in tons in Washington and B.C. over a period of years was as follows:

	Washington	B.C.
1924	159,000	216,000
1927	268,000	296,000
1934	709,000	383,000
1937	1,148,000	389,000

Principal competition experienced by the B.C. pulp industry in the markets of the world has in the past come from Sweden, Norway and Finland with their highly efficient mills, labor costs very materially lower than in Canada, favorable monetary exchange rates and transportation advantages in European markets. On occasion Scandinavian producers have even been able to deliver at United States Pacific Coast ports as cheaply as B.C. producers.

Offsetting these advantages, Scandinavian reforestation reduction results in actual wood costs being greater than in British Columbia; and from the Canadian Pacific Coast more rapid deliveries can be made to the United States, Japan and Australasia.

Since the outbreak of war enquiries have been coming in from distant markets which have in the past depended upon the Scandinavian countries and Germany and a steadily increasing range of sales is hoped for in the Far East and South America.

War Cuts Competition

Removal by war of German competition and curtailment of Scandinavian exports will, it is anticipated, prove of material benefit to the pulp and paper industry of British Columbia, providing the present shortage of ships is overcome.

Prior to the war Germany supplied considerable quantities of paper to Japan; her exports to that country amounting in 1938 to 19,000 tons and Scandinavian exports have in the past provided serious competition with British Columbia in Oriental and other markets.

When, a year or so ago, some concern was being felt regarding the probable effect of competition from the Southern States, Lawrence Kilham, president and managing director of the B.C. Pulp and Paper Company, told a gathering of pulp and paper executives that the Pacific Coast and other Canadian mills had little to fear from the threat at present and pointed out that the South had pine pulp mills before the industry was ever launched in British Columbia.

A. E. McMaster, for a number of years associated with the pulp and paper industry on the Pacific Coast as a major executive, in a recent comprehensive survey of the pulp situation pointed out that Scandinavian countries, for so long an important factor in the markets of the world and whose production of wood pulp had increased rapidly, had reached or nearly reached their limit

of expansion. While Russia had huge forests of pulp timber, a greater part of them would require years of development before becoming readily accessible and it was evident that for a long period domestic consumption would require all present and contemplated production.

Expansion in Northwest

Mr. McMaster is of the opinion that new enterprise as regards pulp and paper will be largely confined to the North American continent. In areas of Eastern Canada further capacity can be built up, but the greatest potentiality for expansion, particularly in the sulphite branch, is in the Pacific Northwest States of the United States and British Columbia.

The shift to the Pacific Coast states has been steadily gaining for several years, states Mr. McMaster. The region drew into third place and 20% of United States production in 1929 and to first place and 40% in 1937, showing an increase in the period of 150%.

While Eastern Canada leads the continent in newsprint, the southern States have taken the lead in kraft paper and sulphate pulp and the Pacific Northwestern States in sulphite pulp production.

Mr. McMaster contends that British Columbia has great natural advantages for further expansion in the pulp industry as and when markets warrant.

Chief Forester E. C. Manning of British Columbia points out that whereas only between 7 and 8% of B.C. timber cut goes to the pulp and paper mills, the value of pulp and paper products is 20% of the total value of all forest production over a ten-year period. In other words the use of woods for pulping purposes yields about three times as much as its use for other forest industries.

Government Helpful

This fact has been emphasized by the British Columbia government in encouraging the development of pulp and paper enterprises. The attitude of the government has been sympathetic to the legitimate expansion of the pulp industry and legislation on the statute books offers special inducements. Carrying charges on pulp licenses are only one half that on ordinary timber licenses and a reasonable royalty is imposed when the timber is cut.

In the past the principal industrial requirements in British Columbia have been for saw mill species and the larger logging operations have been to a great extent confined to areas where these species predominate. As a result large timber areas which predominate in pulp species remain intact and are available for expansion



TOP END of the mill pond. The logs have now been selected and are being fed to the jack ladder. With few exceptions, they are almost uniform in size. —Photo by Margaret Boucke-White.

in the pulp and paper industry. Other essentials such as adequate water for processing; available sources of hydro-electric power and tide water mill sites for water transportation of raw materials and finished products are entirely adequate on the Canadian Pacific Coast.

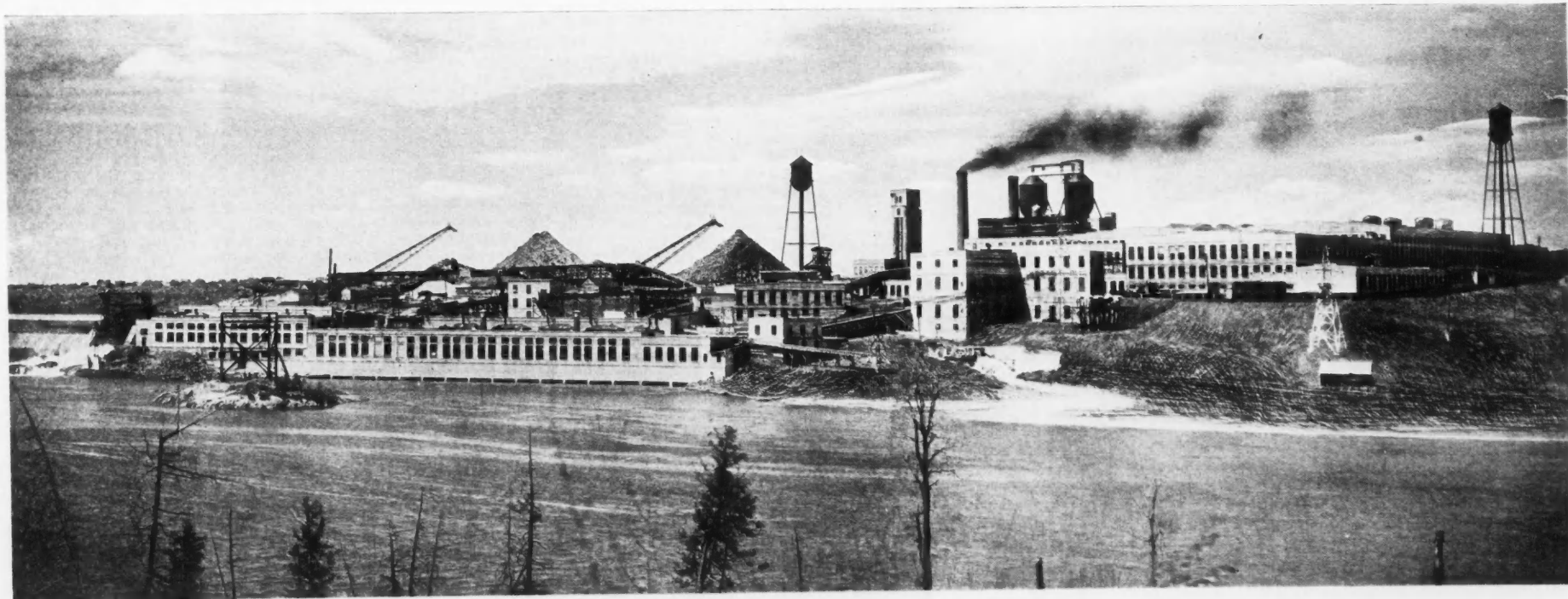
Location of B.C. mills on tidewater with open ports the year around and strategic situation insofar as world markets are concerned seem to indicate that this province is destined to gradually assume a much more important place in the world's pulp and paper making picture.

While newsprint and pulp mills have been an important influence in British Columbia's export trade for over a quarter of a century, there is considerable room for expansion particularly in view of the rapid denudation of the large dimension timber areas.

There is also believed to be room for many new industries based on

cellulose and other constituents of B.C. woods. At present the waste in the B.C. timber industry is estimated at from 50 to 60 per cent and efforts are being made to devise schemes for eliminating at least a proportion of this wastage.

A recent government inventory of accessible timber in the Coast area revealed that, in total, the sawmill and pulpwood species are about equally divided; whereas the average annual cut over the past ten years has been approximately 80 per cent to 20 per cent. The demand for large timber has resulted in logging activities being chiefly confined to timber areas where the lumber species—Douglas fir and red cedar—predominate and in consequence the pulpwood forests are still largely intact. Providing adequate defence is made against fire hazards the timber supply of the Province should be sufficient to support a thriving trade for an indefinite period.



Mill at the Company's town of Iroquois Falls, Ont.

Abitibi Power & Paper Company, Limited

TORONTO ONTARIO

Owning directly or through subsidiary companies, mills at

BEAUPRE, QUE. • IROQUOIS FALLS, ONT. • PINE FALLS, MAN. • SMOOTH ROCK FALLS, ONT. • SAULT STE. MARIE, ONT. FORT WILLIAM, ONT. • PORT ARTHUR, ONT.

Manufacturers of

Groundwood Pulp • Newsprint • News Sulphite Pulp High Grade Bleached Sulphite Pulp

ANNUAL CAPACITY

Newsprint—600,000 tons

Bleached Sulphite—60,000 tons

War's Effects on Scandinavian States' Pulp and Paper

IT IS interesting to assess the effects of war on the Scandinavian countries as viewed by themselves.

For the Scandinavian countries are pioneers in cartel agreements and organized co-operation to improve export prices. There are 300 producer cartels in Norway alone. International cartel agreements based on fixed export quotas exist between Norway, Sweden, and Finland, and other European nations, agreements to maintain prices by curtailing international outputs of moist mechanical pulp, sulphite pulp, newsprint, kraft paper, greaseproof paper, etc., and these agreements are relaxed only very slightly even in good times.

Norway

Wood products make up a quarter of Norwegian trade, and Norwegian mills ordinarily pay high prices compared with Finnish, and low compared with Canadian, for their timber and get low returns from it. So that poor market conditions are usual in Norway in spite of the co-operative market agreements with Sweden and Finland. Until war assisted Norwegian production, things were very quiet. Now they are above average.

But Norway's potential supply of pulpwood is limited to five billion cubic feet, in comparison to Sweden's reserve of 41.5 billion. And lumber export is down from 350,000 standards in the old days to 40,000 at present. Norway, then, is benefiting from war, particularly on the English market.

There are 60 mechanical pulp mills, 6 sulphate, and 19 sulphite mills in the country. A total export of 209,500 tons of printing papers in 1939 was composed in part of 162,231 tons of newsprint on reels and 11,211 tons of sheet newsprint. Great Britain and Argentina are the nation's largest customers, at about 33,000 tons each annually. Fifteen thousand ton lots are shipped yearly to various European and North and South American nations and Norway has lost by war 29 merchant ships in this trade.

At present rate of exchange, the price of 100 cubic feet solid of pulpwood delivered to the mill in Norway is \$12.20 in United States funds. This is the base price on which 1940 export prices will be calculated. (Data from consular officer, New York.)

Sweden

Sweden and Finland produced together 62% of the world's pulp exports for 1936 at 2,513,000 and 1,498,000 tons respectively and Finland can double its production.

Principal factors making possible a great increase in pulp manufactured are dwindling domestic consumption of wood for non-pulping purposes, greater forest care in the prevention of fire, the presence of stands of timber now too expensive to cut, but which can be logged if prices rise. As well, Sweden has thorough utilization of its cut wood, including sawdust, is increasing planting, and will continue to compete with Canada because of the ideal environment for shipping and floating timber which is found in all three of these countries. Forests in the interior are so close to rivers that there is no difficulty in getting logs down on the ice for the spring break-up which carries them to coastal mills possessing their own piers for the ocean shipment of finished paper.

In Sweden contracts of long standing have been cancelled with overseas buyers. To the middle of January, 1940, 25 Swedish merchant ships had been sunk in war and 137 cargo vessels of the Baltic nations were being detained by German prize courts. Germany's seizure and sinking of shipping to belligerent countries and stopping of Baltic vessels travelling to neutral countries have, the *Swedish Wood Pulp Journal* states, increased war risk premiums, insurance and freight costs so that prices are now prohibitive for the export of wet mechanical pulp to England and France—9.10ths of the Swedish market in this case. The operation of British naval convoys at 2½% of the value of convoyed ship's cargo has not yet affected the situation.

In Great Britain, the principal Swedish export market, the maximum prices fixed by the Paper Control were 25% below the price levels at which corresponding qualities could be imported from Scandinavian countries. A new, higher maximum has been

put into effect, one which would have been still higher again if it had been based on the current prices for imported pulp. Instead the Paper Control took the step of seizing all the pulp in stock, bought before the war at lower prices, and of "mixing" it with freshly imported stuff, reducing the average price. This measure is to the direct disadvantage of those who have laid in stocks and has been strongly criticized.

The increase in paper prices has become a serious problem to British newspaper publishers. All the dailies cost a penny and proprietors are very doubtful, in view of British conservatism, if any change can be made. One courageous Irish paper has raised its price but the large London papers refuse to follow suit. Those having large stocks of newsprint may be able to keep their prices at a penny for the first quarter of 1940, but this puts off the problem. The significance of the price of paper to London publishers is indicated from the fact that an increase means to them extra costs of £4,000—£7,000 a week.

Paper consignments of various kinds have been adversely affected by the sinking of Swedish ships, so that Swedish exports of pulp and paper, valued at 338,000,000 kroner to the end of September, 1939, fell slightly from 41,300,000 kroner after September instead of increasing to about fifty million a month.

The northern mills of Sweden were able to continue their shipments under 1939 contracts in spite of everything, but Swedish mills throughout the nation need their f.o.b. values increased due to the rise in production costs—something they are finding hard to accomplish with present Canadian competition.

Finland

While Swedish production of pulp and newsprint has almost doubled since 1925, Finland's had increased three and a half times to the outbreak of the Russo-Finnish war.

To the factors of utilization mentioned for Sweden, Finland can add a most potent advantage. There are known possibilities for expanding Finland's present stock of 1,553.2 million cubic feet of wood to 2,824 million cubic feet by means of swamp drainage and reforestation. Modern mill methods are the rule in Finland.

The *Finnish Paper & Timber Journal* stated on the first of November,

1939, that orders from neutral markets were continuing in spite of the mine danger in Danish waters and increased German naval control which, the United States announced at the beginning of 1940, had resulted in the detention of 37 Finnish vessels bound for America with wood pulp. There seemed in November to be no serious danger of unemployment in the woodworking industries. All Finnish industries had just reached a joint agreement concerning a wartime insurance pool in the neighborhood of a billion marks when Russia struck.

War entirely disrupted Finnish exports except to Germany and Sweden. The Finns have been able to keep the Gulf of Bothnia open in spite of the announced Soviet sea blockade, but should Germany cooperate with her "neutral" ally, Russia, in the blockade, the effect upon Finland could be disastrous.

Nevertheless the Finnish Paper Mills Association and *Kymmene A.B.*, the latter with its own mills in England, exported 470,000 net tons of paper to the end of November.

Cellulose manufacturers in Finland were keeping their mills idle to maintain prices and did not have a chance to enter production before war broke out.

A resumé of the Finnish markets in the United States is given in a table published in this special section. Last figures concerning Finnish foreign trade in pulp were released in July, 1939:

	(Tons)	Sulphite	Sulphate
England	18,743	9,628	12,678
U.S.A.	14,508	1,171	1,171
France	3,928	1,171	1,171
Italy	1,488	1,171	1,171
Belgium	2,312	1,171	1,171
Germany	453	1,171	1,171
South America	2,121	1,171	1,171
Holland	1,125	1,171	1,171
Japan	1,832	1,171	1,171
Others	2,624	1,171	1,171
	49,134	28,921	28,921

Total exports of sulphate and sulphite pulp from Finland, January to the end of August, 1939, were 239,578 and 408,655 tons.

When war threatened these nations, directly and indirectly Canada became the one remaining reliable source of pulp, paper and newsprint, for conditions in our industry were, and are, unchanged in spite of our military participation.

Lumberjacks and the Lady Photographer

YOU are a lady photographer, setting out to have a look at timber and men. It is bitter cold before Toronto's Union Station. Five young women outside it at the foot of the grand stone pillars stamp their silk-naked legs on high heels, fiddle with their fur hats, and giggle in mild surprise at your hick costume of knee boots, mackinaw and packsack with the letter from the company manager, as you cross the station concourse.

Your time is so valuable that your equipment has been flown in, but you want to meet the people in your pictures, having an assignment to photograph what the tycoons who read your paper call "woods labor," and are taking the train. The sleeping car goes north with it but the men from the lumber camps don't make that much money and are in the day coach, sprawling restlessly on double-width seats with their legs up. It is civilization as the train pulls out, and through the receding morning and afternoon civilization still, everywhere the train stops. The depots are growing smaller though, and all about as the cars roll on space is accumulating such as you have not seen for months. It's just the land. In the city, you had forgotten.

Forest and Rock

The train bumps knots in your back, and after numbness, you sleep. At three in the morning there are moonlit remnants of hardwood forest from the window and the plume of smoke lying above and along your rushing train. Outside it becomes conifer forest, rock ridge, and swamp.

Then rock. You change at a junction point, stepping from the rasping nip in this Canadian air into a lonely substantial station where the night telegraph operator has a coal fire roaring and kicks you a bench by the slowly pinkening potbellied stove.

The maple seat puts creases in your kidneys. Two hours, and the trolley that does for a train on the branch line, arrives. You throw the rucksack up the high icy, old fashioned steps of the weatherbeaten single coach, walk through the empty half-car passenger section into the express half, then follow the fireman up the engine ladder and along back the tops of the roofs of three freight cars to the caboose where the train crew is finishing a poker game and a very new short-wave radio snores the grisly gavotte of London, Paris, Moscow, and Berlin.

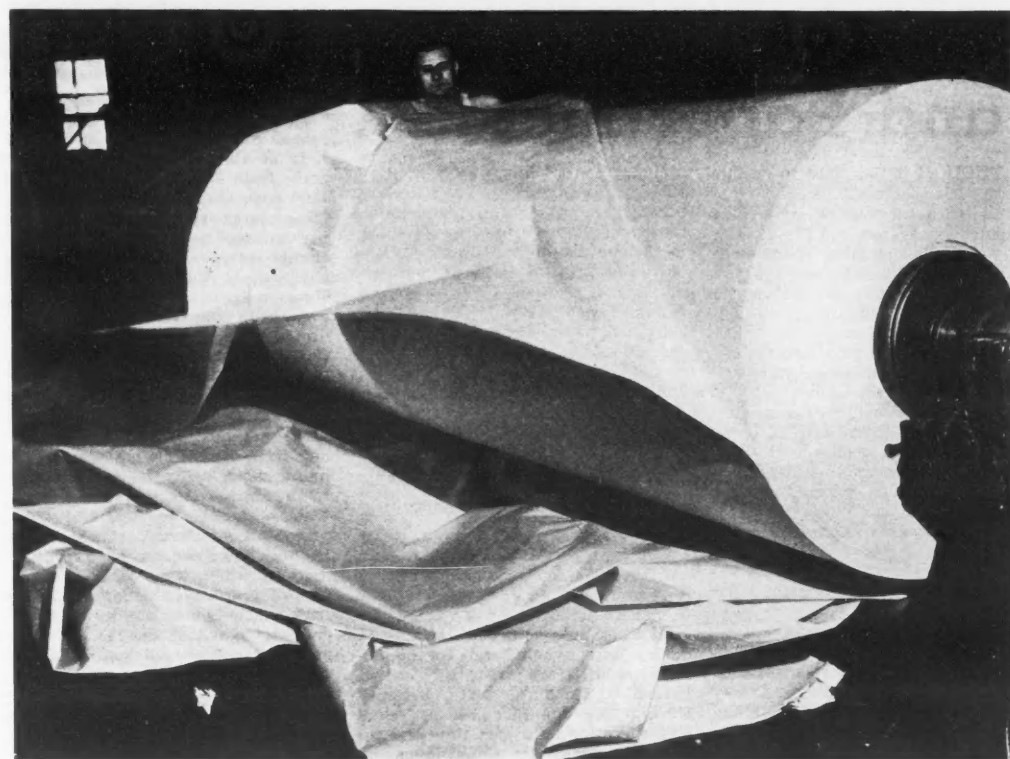
Snow—And Cold

By now, space is customary and houses are news. The train ambles along, backs up, takes to sidings, slides around frozen snowbound lakes. The conductor and the boys pay Red Dog at a cent a shot until three whistles and dawn announce they're approaching your stop.

Hip-deep snow and nothing at the trackside, nothing for miles, the five o'clock morning chill outside, a scramble, and as the train pulls away you board your first bumpy grey gasoline locomotive on the way in to the lumber camp. They like strangers in the North. Whoever you are, they'll meet you at any hour. The gas cab follows steel upstream through titanic bald swaths of rock, along the sides of a dinky creek crossed by shimmying little trestle bridges. High in the bush along its bank are stranded decayed small logs. Last year's cut. That stream is used to drive logs. Trees, standing timber, lie away off on the rim of rising rock escarpments where it's an effort for sight to reach them. By the track is small second-growth brush, cut forest and slash.

At the end of steel the camp is turning out. The depot boss and the forester rouse out in pyjamas as the cook clangs his breakfast triangle, leave you outside in the snow with a quart bottle of opened scotch while they dress, and take you in for wheat cakes, breakfast.

After it, half past six in the morning, is the eight-mile walk into the camp you want to photograph, alone, following the single-strand telephone wire which leaps gaps, loops about, deserts the road to run up in the trees, or falls at ankle-height beside you. Deer runways in the snow cross the road. There is the slight crunch of crust as three clean, grey-furred



NEAR THE END of the line. The finished paper which has been given a surface on the calendar stack, has been rewound and cut to size. Here the last ragged ends are being torn off. The roll will then be wrapped, picked up by a traveling crane and stored, ready to be shipped.

—Photo by Margaret Bourke-White.

ghosts of wolves halt on a knoll, smell the air at you, and close cheekily on your trail to walk not far behind you as you go by. The snap of a rifle drifts downwind, lost in space, and they halt, wheel, and drift into the woods beside to follow you, watching.

Corduroy Bridges

Your feet, in the iced ruts of the snow road, cross corduroy bridges of felled logs. At the sixth mile it has been uphill, with only the tote sleigh coming out from the camp gone by you to the end of steel when you come to the top of a rise, and find the road rimming the edge of a cliff, and below, more of those bare snow-covered swaths, this time with the tiny movements of men and teams of horses at work in them, to the thin rattles of tractors on the wind.

From a side trail swoops an elderly man on skis, snow on his new brown drill bush coat with a furled collar, breath crisping, moustache commencing to droop icicles on his chin. The camp doctor, on his way thirty miles from Camp 1 over to Camp 5. He takes your packsack, and swoops from sight with it through the trees, downhill to the minute cluster of logpiles where smoke is rising straight into the quietly cold cutting morning.

Your road turns right, zigzags downhill to the shore of a lake. The steady chunk-chunk-chunk of working axes is interrupted by the "Timber!" yell of a felling crew and the slow breathless teeter of a tall rocking pine as its leap becomes a pause in whining air, then a hammering crash when the bole bounds echoing down the slope. Suddenly a team of heavy bay mares is at hand on the hillside, the teamster waving hello. His horses strain into their collars against a sleigh of pulpwood. The forest commences to rasp with saws at work, shriek with the squeals of stopping sleigh runners. The clank of decking chains on rolling logs is ahead of you. Up go the logs as you come, deckers poeyed at the strange lady, then working their canthooks and peavies with a swirl for the female and swearing cheerfully the time of day in French, Finnish, Ukrainian, Polish and Swedish as they smack their lips at you and dance on top of the log piles to keep warm.

Pulpwood

The road goes left, across a ridge where side-hill track stretches. Down that, with wire cable hitched to their rears and snubbed to the heaviest tree nearby, sleighs of pulpwood are being lowered to the lake shore behind their teams of horses. On the first day it snowed, that hill was bad. Two sleighs rode over their teams and buried a driver fatally in logs. So there was strike talk in the bunkhouses, but cable came in too fast for it to crystallize.

Around the lake goes the road, and a mail sleigh which has been coming up behind you from the end of steel gives you a lift into the camp on the level plateau between two frozen backwaters. Stables, bunkhouses, mess hall, root houses, saw filer's shack, tractor barns, warehouses, and the camp's main office where the bull of the woods himself holds forth as camp boss, are all log walled, chinked with clay, banked with earth to a quarter of their height against the *noroua*, and topped with plank and tarpapered roofs. The size of doors, windows, and amount of air through ventilators per man and horse per hour in them are all laid down by law.

The Boss's Office

In the camp boss's office, also the camp store, the clerk is checking time sheets. The bull of the woods himself is out looking over a pulp cut that was stalled by yesterday's blizzard. Your equipment is all there, and the clerk checks the invoice of it.

The office door opens, and a government scaler, a mass of icicles from

his chest down, lumbers in. He was crossing the lake on a camp tractor when it went through the ice near shore a quarter of a mile away, and has been running all the way to get to heat before his limbs freeze up. As you vacate again for changes, and look over your cameras, the cook's triangle suddenly whangs out fiendishly. Noon, before you knew it, the light swell, and not a picture taken!

Only the men within 10-minutes of camp are in the mess hall. The rest, in the bush, are dining on cheese and beef sandwiches, boloney, tarts, cookies, three kinds of pie, and clear black tea as strong as iron. To get pictures, you ask the cook, but he wants to pose all over the place, and all you find out is that there are bread and butter plates on the table, that camp milk comes as powder, that syrup, sugar, pickles, salt and pepper are always on, and that your suspicions about the croquettes you just had were true. They were last night's leftovers. But he gives you his special breakfast menu, cabbage with fried bacon or cold beans, and his jam recipe. And the clerks chips in that provisions are ordered in thousands and meat lots, and that you can feed French-Canadians frozen beef and beans but Finns got to have fresh beef, more beef, beets, biscuits and apples or they pout. Back in the office, with two men to carry your camera, and a look at the cut-control maps on the walls, you get an idea of where you're going for your afternoon in the bush.

Everyone Watches

For the first half hour, everyone stops work and gathers around you. Most being clever with their hands, they want to see you work. After that you use a telephoto lens for action shots and come in closer until suddenly your light meter seems broken. It's light, but the meter doesn't think so.

The men have a hungry look beside you. It's four or five o'clock. You walk, walk some more, and realize that you must have wandered four or five miles from camp. And these men walk five miles an hour and won't let you sit down to catch pneumonia. You don't want to get lost, as they go ahead, for the cold is freezing your legs to lumps. It darkens. Then, as twilight goes—the main road. A tractor train of pulpwood passes, carrying sixty men from the farthest pulp cut. Closer to camp, the road streams with men.

At the camp office, every bunk is filled, the floor is crowded with silent men who all seem to have some sort of title when introduced, and look suspiciously shiny and spruce, every one. Dinner is mentioned. In the mess hall, as you come in, the purposeful tinkle of men eating becomes silence for a full minute. They don't believe you are a woman. Then, gradually the forks and knives begin to chime all over again without a word being spoken, and those who finish leave hurriedly in groups with their pipes and tobacco.

Outside in the clear starry night, there are bursts of laughter from the two bunk houses, the tuning of banjos and violins. Clearly from the end of camp comes the close, startled bell of a moose.

In the Bunkhouse

There isn't any dark room to develop the day's pictures, but the boss says the boys'll fix it. As you step into the bunkhouses with your film, the haze of smoke, steam, smell of drying socks and trousers just flows over you and the forest of shirts, socks and dangling underwear around the huge barrel stove with the meandering pipes up near the roof. On rows of doubled steel cots, men in all stages of undress are yelling, reading, writing, carving, playing cards, snoring, pitching darts, and over it all the smell of the world's worst tobacco, shantymen's cut plug.

The silence begins again near you and travels in waves along the big

log hall to the walls. Afraid of asking them about pictures, you ask, in a feminine voice greeted by a reverent unbelieving hush, if there's any place you can develop some film. Anybody knows anything about cameras? A voice shouts a name. Everyone hoots: the walls bulge with laughter. From then on, they install you in the log washroom between the two bunkhouses and produce darkness by turning down the gasoline light. When the prints are done it's just a matter of showing the pictures, bringing in a camera, and setting it in a corner so they can't all get behind you, pretending to adjust it while leaving a few dummy plates conspicuously in front of it, and getting to work.

From Camp to Camp

The days pass well. You are flown from camp to camp, and become accustomed to landing on frozen lakes. You work waist deep in snow, from the tops of log dumps, from steeple-jack cradles in trees, the tops of ginpoles, the backs of horses, watching the trees fall, the land grow bald, the slash from the limbs pile up, and the stacks of pulpwood rise.

There is a thaw which reminds you that you haven't photographed the drive, and they fly you a hundred miles south, over to another camp exactly the same, with the same saw-filer who can make the same impossible cathedrals and crucifixes from sticks. South of it, with ten changes of clothes you see the logs sink through thinning ice, the water in dry creeks rise and boil, then the spring logs, ramming like shells on the crest of the torrent, coming down. At first they seem inconsequential, but you watch them pile up in the rear and take on temper and life, shove on, knit closely and flatten the bush, tear the sides out of the creek.

You watch men never dry perform miracles on the swerving, death-bent massing wood, unsnarling it, sleeping wet in freezing tents warmed by cracking wood stoves which go out in the night and get you up with them to don wet mildewed boots, eat six times a day, keep moving to stay warm enough to dry yourself out, all to keep the logs coming down.

A Way of Living

At the lake where the cut lies at last in booms, you ride with the tugboat captain against the spring storms which make his engine shudder as the screw of the doughty little vessel lifts out of the wind-made waves. It comes to you that the whole sequence to the mills is a way of living unfamiliar on farms and in our cities. There's nothing like it, and though you've seen it you can't understand what—the silent, diamond-white beauty of winter trees, the backbreaking work on the cut from dawn until the hour before quick dusk, the dollars each month men don't see because they go to their families "outside"—what keeps them at it—the youngsters; the whiskey bachelors, hoarding six months' pay with nothing to spend it on but those shattering three days of bingeing after the drive; the skidding boss, out sniffing the sky at midnight for tomorrow's snow to bring the logs down on ice; the forester's wife, ten months of the year away in the city with the children at school; the executive with losses or good contracts; the salesman certain that whatever their price there was always someone calling on the prospect yesterday with a figure \$5 a ton below it.

Then, as your pictures appear in the magazine between snaps of the Duchess of Windsor's boudoir and the latest Russian corpses, you know it is a way of life, something those men and their families do by choice, something they'd rather do than anything else, their reason for working when they can get work.

And you've found what feeds the human hearts which drive this industry. And why our forests have been a part of us so long.



LOG DRIVER. Prime job of this man is to keep the logs moving, prevent jams. Since none of these logs is big enough to bear his full weight, he must keep constantly on the move. Most drivers as agile as cats, surefooted as goats.

—Photo by Margaret Bourke-White.

SATURDAY NIGHT

PEOPLE

TRAVEL

FASHION

HOMES

THE ARTS

TORONTO, CANADA, FEBRUARY 24, 1940

Maurice Evans' "Hamlet" Leaves Nothing Unsaid

BY ELMER KENYON

THE coming to Canada of the brilliant young English actor, Maurice Evans in "Hamlet," has a two-fold interest for that public which enjoys in the theatre the enchantment wrought by the distinguished acting of great plays on the stage of flesh and blood. It is only three seasons ago that the name of Maurice Evans first flamed on this side of the water as a result of his magnificent performance in "King Richard II," one of least-known plays of Shakespeare.

In presenting shortly at Toronto his production of "Hamlet" in its entirety, which won unanimous praise through two engagements in New York and on three tours of the States, Maurice Evans is enabling lovers of Shakespeare to enjoy the play for the

LEFT. A familiar scene from "Hamlet," strikingly presented in Maurice Evans' production of the play. **RIGHT.** Maurice Evans as Hamlet and Mady Christians as the Queen, his mother.

first time in its complete text on the stage. The history of the theatre during the last three hundred and fifty years reveals the fact that in all countries the most popular play ever written is "Hamlet." Whether on the English and North American stages, or whether in foreign translations, the story of the Prince of Denmark has become familiar to playgoers in all parts of the world where theatres have flourished. Until quite recently, it might have been said that at all times somewhere "Hamlet" was being readied for the stage or already played up on the stage.

So rich is the texture, so prodigal the plot values of the drama that it triumphed over the invariable cutting and mutilation to which it was subjected in the acting versions that have held the stage ever since Shakespeare's time. As is well known, it is the longest of the Bard's plays. Originally performed at the Globe Theatre on a platform stage, it was immediately subjected to surgical operations when the theatres re-opened in the time of Charles II and plays were fitted into the new picture frame proscenium, and scenery began to be a part of theatrical presentations.

It was Thomas Betterton of that Restoration period, one of the greatest *Hamlets* on record, who began the practice of eliminating whole scenes, passages and even characters. The stage tradition which he estab-

LEFT. Carmen Mathews as Ophelia. **RIGHT.** Hamlet soliloquizes.

lished remained with varying emphasis down to the present century. Devoted as the great David Garrick and John Philip Kemble were to the production of over a score of Shakespeare's plays, they were not moved to present "Hamlet" as Shakespeare wrote it. Even so late an admired actor in the part as Sir Johnstone Forbes Robertson used an acting version in which some 1,300 lines were dropped.

MAURICE EVANS in restoring the complete play to the stage may be said to represent the more enlightened attitude created particularly in England by J. Dover Wilson, the Shakespearean scholar, and the late Sir Frank Benson and Sir Ben Greet. "Adapt the modern stage to Shakespeare and not Shakespeare to our stage" has been the inspiration of a renaissance of respect and admiration for the masterly craft of Shakespeare as a playwright. Affected by this return to treating the texts of the great plays with integrity, the Old Vic, famed theatre of London of which Shakespeare is a patron saint, invited Maurice Evans to act on its boards the title role of "Hamlet" in its entirety. It was the success of that venture that brought Mr. Evans to America.

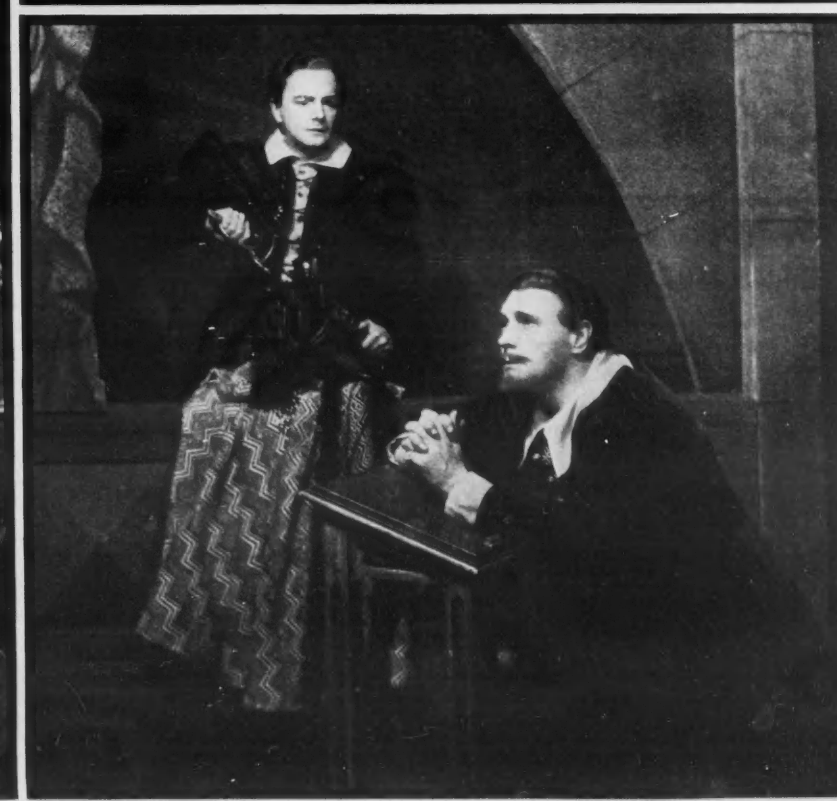
Curiously, Mr. Evans had not begun his youthful career as an actor. By all laws of heredity and environment,

LEFT. Another view of Mady Christians as the Queen. **RIGHT.** Claudius: "My offense is rank and smells to heaven." Hamlet forbears to slay his uncle for the murder of his father. Henry Edwards plays his uncle, the king.

he should have at least been stage-struck, for his father dramatized the stories of a neighbor in Dorchester, England, no less a novelist than Thomas Hardy. Yet it is recorded that young Maurice at one performance fell asleep on the author's knees. In other performances, the boy was cast by his father in bit parts. Still, his ambition was to go into business.

Up to London he went after his schooling and became a clerk and later assistant cashier in the music publishing firm of Chappell-Harms in Bond St. But the dramatics at home must have borne fruit, for he joined an amateur acting society for pleas-

(Continued on Page 31)



As Well Read As a Book Worm!

Join our lending library and enjoy his wide contact with the best in current literature.

No Joining Fee. No Deposit. Rental Rate—3c Per Day Books Delivered.

— All the Titles Talked About —

Any recent or specialized books accepted for cash or applied against rentals or other book purchases.

The Academy Bookstore

144 Bloor West R.A. 3424
AT AVENUE RD. WEST OF BAY
OPEN EVENINGS

EATON AUDITORIUM

TORONTO TOWN HALL

PRESENTS

H. R. KNICKERBOCKER

Foremost Reporter on World Affairs

WED. EVE., FEB. 28th

at 8:45 p.m.

TICKETS NOW: \$1.00, \$1.50 and \$2.00

TELEPHONE—TR. 1144

HOMWOOD SANITARIUM



A Community for reconstruction under competent medical care

To find a place where those suffering from nervous and mild mental conditions may receive individual, constructive care, often presents a problem to both physician and patient. Homewood offers such a place. Beautiful buildings, lovely grounds, occupational therapy, thorough medical and nursing treatment, diet, electrotherapy, hydrotherapy, and other proven effective aids to restoring the patient to his normal, active life.

Address: Harvey, Clare, M.D. Medical Superintendent
Homewood Sanitarium, Guelph, Ont.

Oriental Cream
GOURAUX

protects the skin from sun and wind on the golf course. That dried up feeling disappears. A complete, beautifying cream for day and evening events.

White, Fleck, Rachel, Sun-Tan

Make your own
Viyella
TARTAN DRESS

AUTHENTIC SCOTCH TARTANS
UNSHRINKABLE - WASHABLE - COLORFAST
36 or 54 inches wide. At all leading stores or write Wm. Hollis, Ltd., 266 King St., Toronto

THIS YEAR
'40-FY
YOURSELF WITH
Boyril

FOLKS LIKE YOU
You'll like the other guests at the Bismarck. They, too, enjoy and appreciate good food, unobtrusive service and restful rooms.

Emil Eitel
Karl Eitel
Roy Stiffen
IN THE HEART OF CHICAGO

BISMARCK HOTEL-CHICAGO
KANDOLPH AND LA SALLE

MUSICAL EVENTS

Duo-Pianists Honor Lord Tweedsmuir

BY HECTOR CHARLESWORTH

MUCH enthusiasm greeted the re-appearance at Eaton Auditorium of the famous British two-piano team of Ethel Bartlett and Rae Robertson, a combination of London and Inverness. The latter was naturally anxious to honor the memory of a great Scot, Lord Tweedsmuir, and the program was prefaced by a touching rendering of "The Land o' the Leal," with the audience standing. These noted artists have been playing together since 1927, and association has brought about a well-nigh perfect fusion of personalities. Though they had additional training elsewhere, both are pupils of the Tobias Matthay School in London, a fact apparent to observers familiar with piano technique in their use of the Matthay shoulder stroke. Owing perhaps to the presence of overflow listeners on the platform their attack was less brilliant than usual. Their power and superb authority were undiminished though at times they seemed to hit too hard; to indulge in "underlining" that somehow recalled the too frequent use of italics in the epistolary efforts of Queen Victoria. The completeness of their grasp of all essentials and their profound scholarship were apparent in the series of Bach transcriptions, and they were superb in the Schuman Andante and Variations, which starts off as a very dull affair and later becomes romantic and entralling. Their ease, rhythmical inspiration and perfect accord were demonstrated in Chopin's gay and infectious Rondo.

The second part was very colorful. Foremost was the amazing and delightful "Scaramouche" Suite of Darius Milhaud, which within the past year has become very popular—the stimulating "Danse Brésillienne" especially. It was introduced to Toronto last season by Alberto Guerrero and Robert Finch, under the auspices of the Alliance Française. It is not local pride which impels one to say that Mr. Guerrero, himself a South American, showed a more subtle and fascinating understanding of the Samba, a folk dance of Brazil. In their effort to reproduce the heel-hitting beat of negro dancers, the Robertsons were over-emphatic. It was interesting to hear the music of the American composer Abram Chasins. His arrangements of the Richard Strauss Serenade and Gluck's "Melodie" were fresh and vivid without doing violence to the originals; but better still was one of his own "Chinese Pieces," "Rush Hour in Hong Kong," which suggests in a marvellous way the teeming feverish life of a great port.

Jessica Dragonette

Jessica Dragonette was heard the other night in Massey Hall under the auspices of the York Bible Class. Denton Massey, M.P., paid homage to the late Lord Tweedsmuir, and in connection therewith Miss Dragonette sang "Abide With Me" pleasingly. In crinoline she made a petite and charming picture, in keeping with her voice, which is also petite, and charming when the scope of the music does not extend beyond her middle register. She is essentially a salon artist. Numbers which demand large tonal volume and temperamental expression are not suited to her voice and style. She sang a distinguished recital program of French and Spanish songs, but was unable to make her audience take an interest in such lyrics as Debussy's settings of Verlaine. Her best work was done in one of the many "Jeanne-ton" folk songs of France, and one would have welcomed more of them. In the serious part of her program splendid aid was rendered by the gifted pianist Arpad Sandor.

Orchestral works by three young Canadian composers were featured at Convocation Hall in the regular winter concert of the Conservatory Senior Orchestra. Under the brilliant young conductor, Ettore Mazzoleni, this organization has made amazing progress during the last three years. His finest achievement is that of building up the wind sections with student talent, so that in an orchestra of over sixty it was found necessary to engage only six professionals. The major test of the organization was Vaughan-Williams' "London Symphony," notable for wealth of harmonic invention, and richness in orchestral detail. Mr. Mazzoleni's fine interpretative insight and steady, sustaining beat resulted in a rendering remarkable for tonal excellence and transparent expression.

The Canadian compositions given were an Allegro for Strings by William Hachnel; Ballade for Viola and Strings by Godfrey Ridout, and Tone Poem, "The Enchanted Hill," by John Weinzwieg. The two first named have been played over the national network by Alexander Chuhaldin, but this was their first performance at a public concert. Both are appealing in a melodic sense and free and skilful in scoring and development. Mr. Weinzwieg's tone poem, which has been played at Rochester by Howard Hanson, is more complex and modernistic. Its idioms are not easily grasped at a first hearing, but obviously the composer is expressing thoughts and not aiming merely at bizarre effects. All three works were capably rendered in a technical sense, and Jack Neilson, a gifted young viola soloist, gave a good account of himself in the Ridout composition.



WITH TORONTO SYMPHONY. Elsie Bennett and Madeline Bone, distinguished two-piano team who were guest artists with the Toronto Symphony Orchestra at Massey Hall, Toronto, last Tuesday.

—Photo by Violet Keene.

Two compositions by Louis Applebaum, young Toronto composer who has twice won prizes in the competitions of the Canadian Performing Right Society, were recently featured in Samuel Hersenhoren's admirable broadcast "Canadian Snapshots." They were his setting of Ernest Dowson's poem "Cynara" and the last movement of his "Sonatina" for Strings. Both works are marked by freshness of conception.

In another of Mr. Hersenhoren's broadcasts, two works by the brilliant young French-Canadian composer, Hector Gratton of Montreal, were heard; one his Rondeau for strings and piano; the other his "Chanson et Danse," played as a solo by the noted violinist, Harry Adaskin. Mr. Gratton has recently composed delightful characteristic music for a dramatization of "Maria Chapdelaine" serialized over the French network.

Two new war songs of Canadian origin have been adopted by the C.B.C. for frequent performance. One is "Carry On" by Ernest Dainty, already being sung in various training camps. The other is "Over Here for Over There," words by Horace Brown with music by Jess Jaffrey and Vida Guthrie. All three are well-known radio personalities.

Entries for the Canadian Performing Right Society third annual competition for young composers indicate an ever-increasing impulse toward creative activity. Entries close on March 1st, and applications have been received from 109 persons, representing every province of Canada.

Various Recitals

Gertrude Crawford, one of the most distinguished of Toronto violinists gave a recital at the Heliconian Club recently with Helen Cherrie at the piano. Mrs. Crawford has a pure and appealing tone, and admirable technical finish and authority. Her program included numbers by her husband, the well known organist and composer, T. J. Crawford. Most important was a Sonata in B minor, well sustained and traditional in structure, melodic in character, with clever technical devices. Mr. Crawford's "Columbine" and "Lullaby" were also played, as well as several "request" numbers by Kressler, rendered with distinction and charm.

Marcel Hubert, violoncellist, and his sister, Yvonne Hubert, pianist, appeared at the most recent of the Montreal "Nine O'Clocks." They have been meeting with applause in many U.S. cities this season.

A series of broadcast recitals by young Canadian pianists of established position has begun on the national network. The first three are by Jeanette Caille, Margaret Parsons and Virginia Knott, with others to follow. The return to Canada of Miss Knott, who last year was playing for B.B.C., is of exceptional interest. Georgina Russel and Olga Guilaroff, noted pianists of Montreal, were recently heard in a duo-recital on the national network in works by Handel, Mozart and Beethoven. Mrs. Russel, for some years resident in Montreal, was formerly a well known figure in Toronto musical circles.

The Allegro Ladies Choir, conducted by Daisy La Rush McAdam gave, with excellent tone and expression, a lengthy program of part songs at Eaton Auditorium on February

19. An interesting novelty was Kurt Schindler's arrangement of "Three Cavaliers" by Dargomyzhski, father of the national school of Russian music. Avey Clark Byram was at the piano. Jessie Guthrie soprano and Joseph Pach, a brilliant Czech boy-violinist, made effective contributions.

The Vancouver Province is sponsoring as a public benefaction a visit to Vancouver by John Barbirolli, next May, when he will conduct the Vancouver Symphony Orchestra. The proceeds of the concert will go to the support of the British Columbia Musical Competition Festival sponsored for 17 years by the Knights of Pythias. So impressed are the public with the Province's gesture that reservations are being booked three months in advance.

Virgil Fox, one of the most renowned of American organists gave recitals for the Casavant Societies of

THE CAMERA

Copying Can Be Simple

BY "JAY"

THIS week I am going to finish up the accumulated correspondence caused by my long absence from the office.

G. H. B. of London asks if it is possible to use an ordinary camera for copying. I have a habit of clipping certain articles from the photographic journals, and some years ago I read in *The Amateur Photographer* the experiences of another photographer in this very respect and I am passing them on to my correspondent.

Most photographers know the several uses of copying with a camera, but a common misconception is that a single-extension camera cannot be used for this work unless its lens is aided by a portrait attachment.

On the contrary, such an instrument may often be made to serve, if a little ingenuity is exercised.

First see if the camera front will extend farther than you had hitherto supposed. The front of many a camera is prevented from extending beyond a certain point by a screw on

the sliding part of the baseboard. Remove this screw and additional extension may be obtained.

If the extra length is still insufficient to bring the subject into sharp focus, a further aid may be applied. This is to increase the depth of focus by using a very small stop. Although, for instance, objects nearer than three feet may be out of focus when the lens is fully open, the additional depth of focus given by a stop no bigger than a pin's head may bring objects as close as one and a half feet into sharp definition. With a camera not equipped with such a small stop, the difficulty can be overcome by inserting a disc of blackened cardboard, having a pin-hole at the centre, behind the front lens.

This small stop will increase the exposure greatly, of course, and it is very probable that the amount of light admitted to the camera will be insufficient to allow use of the focusing screen in the ordinary way. Here again, however, ingenuity will surmount the obstacle. A bright light (such as, for preference, a flashlamp bulb) placed in the same plane as the drawing or photograph that is being copied, will be bright enough to be discernible on the focussing screen, and will show whether the makeshift methods of extra extension and small stop are likely to be successful.

To avoid trouble with reflections on the surface of glass, illuminate the subject from both right and left, diffusing the light.

A test to determine whether this arrangement will really prevent reflections is to remove both the focussing screen or the back of the camera and the lens, and view the subject from the position the film will occupy. If reflections are visible on the surface of the glass from that position, the positions of the illuminants must be altered until the reflections disappear.

In developing copy negatives, remember that these subjects may be classed as "low contrast" ones, requiring approximately one-third longer development than subjects of normal contrast.



POLDI MILDNER, brilliant young pianist, who appears in the Artists Series at Eaton Auditorium, Toronto, on Feb. 24th and Feb. 29th.

ROYAL ALEXANDRA • ONE WEEK BEGINNING MON., MARCH 4TH



His Latest Triumph in Shakespeare on Broadway

MAURICE EVANS

presents HIS STIRRING PRODUCTION of "HAMLET" [IN ITS ENTIRETY] with MARY CHRISTIANS HENRY EDWARDS

Staged by MARGARET WEBSTER • Designed by David Vickers

IMPORTANT NOTICE! CURTAIN EVES - 7:30 Sharp - AT - 1 Sharp

MAIL ORDERS NOW! BOX OFFICE SALE MONDAY

Eves. \$1, \$1.50, \$2, \$2.50, \$3. Wed. Mat. \$1, \$1.50, \$2. Sat. Mat. \$1, \$1.50, \$2, \$2.50

In Montreal THE Windsor

ON DOMINION SQUARE

J. Alderic Raymond, Vice-President

White Sulphur Springs west va.

Now, at America's world-famous spa, one low price covers room with private bath for a fortnight; three excellent meals daily; course of tonic Sulphur Baths; and use of indoor swimming pool. Write for complete information.

THE 2-WEEK SPECIAL VACATION AND CURE RATE OF \$112.00 IS IN EFFECT TO APRIL 1

The Greenbrier Hotel

L. R. JOHNSTON General Manager

Confucius Say Plenty I but Shakespeare more timely in
TIMON OF ATHENS
at HART HOUSE THEATRE
(By permission of the Syndicate)
FEB. 29, MAR. 1 & 2. Tickets—50c

Mothersills
SEASICK REMEDY
PREVENTS CHILDREN from having TRAVEL NAUSEA

HART HOUSE THEATRE
(By permission of the Syndicate)
JOHN GOSS
and
BERNARD NAYLOR
Sat., Feb. 24, at 3 p.m.
Seats: \$1.00 at Box Office and at Toronto Cons. of Music.

THE SOUTH AMERICAN WAY

A fascinating sea trip that brings a great continent to life. American all the way... sailing through the peaceful neutral waters of the two Americas on fine ships that proudly fly the United States flag.

Enjoy cruising on 33,000-Ton Luxury Liners
S.S. Brazil Next Sailing Mar. 8
S.S. Uruguay Next Sailing Mar. 22
S.S. Argentina Next Sailing April 5
A sailing every other Friday

38-DAY CRUISES TO
BARBADOS
RIO DE JANEIRO
SANTO
MONTVIDEO
BUENOS AIRES
TRINIDAD

Cruise Rates from \$360 tourist, \$480 first class (\$550 certain seasons).

Consult Your Travel Agent or

MOORE McCORMACK Lines

19 KING ST. EAST • TORONTO
DOMINION SQUARE BLDG. - MONTREAL

FILM PARADE

All In Good Fun

BY MARY LOWREY ROSS

"THE Front Page," we can see now, if we ever doubted it, was wonderful fine material, with enough durability to turn, as old-fashioned people say, and make a petticoat afterwards. And this is exactly what the producers have done with it. It's called "His Girl Friday" now, but it's the same good Hecht and MacArthur material and the petticoat, a very beautiful one, is Rosalind Russell.

The notion of impersonating Hildy Johnson, the first and most volatile of the screen's male reporters would have scared most actresses out of their contracts. But Rosalind Russell takes it in her stride. The part has been taken in here and let out there and it fits her now as though it has been man-tailored to her measurements.

The Hecht-MacArthur masterpiece is apparently dateless and timeless; perhaps because there never was a press room like the press room in "The Front Page" or any newspaper reporter like Hildy Johnson, so that it doesn't much matter whether the time is 1931 or 1940, or whether Hildy is male or female. The chief requirements for the role are high energy and a good snappy delivery. Even good looks aren't absolutely essential, though naturally Miss Russell's looks never come amiss.

Not that she gives much attention to her appearance in "His Girl Friday." She'd just as soon slap her twelve-dollar hat on the back of her head or forward over her nose or down on the press table in the middle of a pinocchio game, as not. Tireless, resourceful and completely uninhibited she is the ideal girl reporter of the screen, and even real newspaper girls, exhausted after the day's drudgery of writing cut-lines and editing social notes, will get a wistful pleasure from her performance. That's the wonderful part about newspaper life in the movies, you meet such interesting people.

Like "The Front Page," "His Girl Friday" is chiefly fantasy. But it's ingenious, ribald and expert fantasy, in the present version, as it was in the original. The lines still crackle, and crackle even more effectively than they did when the sound equipment wasn't what it is today. Time has taken nothing away from it. Neither, more singularly, have the endless borrowings and plagiarisms that followed in its wake. The only thing to fear now is that the producers will start imitating it all over again. Or else that they will seize

on the notion of reworking all the successes, using a shift of sexes as the basic change. We may even live to see "Gone" reappear with new situations, new faces and the roles of Scarlett and Rhett Butler reversed.

Director Howard Hawks paid \$35,000 for the original movie-version of "The Front Page" and got a bargain. A new part had to be written in for Ralph Bellamy as a confused and guileless insurance salesman, but apart from this and some minor changes in dialogue there was remarkably little refurbishing to be done. The city editor role stands practically unaltered except that Cary Grant clowns it amusingly, while Adolphe Menjou, just as amusingly, played it straight. As Director Hawks was wise enough to see, you couldn't go wrong with "The Front Page" which is both flop-proof and imitation-proof. He could hardly have gone wrong if he had set it up again just as it was in 1931, though it would have been a pity to miss Rosalind Russell's Hildy.

BECAUSE Spencer Tracy is an Academy Award repeater and Hedy Lamarr is so beautiful that she makes men cry, the two have been paired in "I Take This Woman". It sounds logical enough from the box-office point of view, but as it works out on the screen it looks about as rational an idea as tree-sitting.

Spencer Tracy is a slum-doctor here and Hedy is a beautiful society girl whom he rescues from suicide. They get married in no time and Hedy moves into the down-town clinic where beautiful in a Hoover apron she dazzles little slum patients into treatments. Then, just to balance things Spencer Tracy takes to rug-cutting at El Morocco. Soon he is taken up by the fashionable neuresthenics of Park Avenue and after that he gets tired and more middle-aged every minute, while Hedy just blooms in melancholy beauty. There are endless complications but it all works out with a dedicated return of hero and heroine to the slums. It's just one of those plots and nothing much can be done about it, though I tried giving it the new reverse spin, changing the sexes, with Hedy as a lady slum-doctor and Spencer Tracy as a brooding playboy from Upper Fifth Avenue. It wouldn't have seemed much more preposterous. But I'm afraid it wouldn't have been much more interesting either.

THE THEATRE

Ethel Waters In a Noble Part

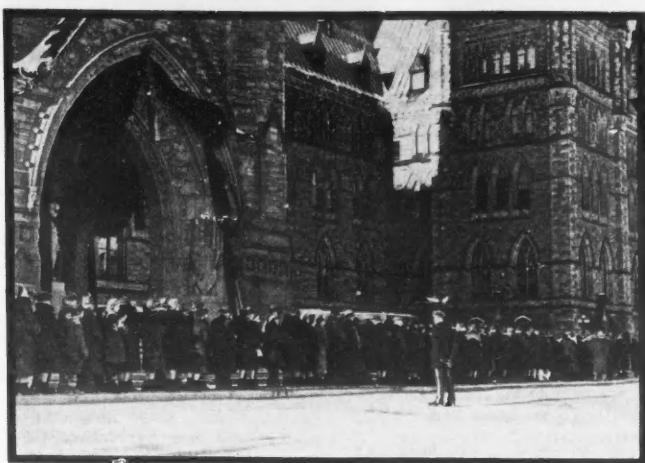
BY LUCY VAN GOGH

THE last time Miss Ethel Waters was at the Royal Alexandra she was doing a skit in one of those collections of skits held together by a chorus which are denominated revues. It was a perfect skit, but it was just a revue skit and did not pretend to be anything more. She is an actress of immense intelligence, profound sincerity, a very beautiful vocal equipment and unlimited spirit; but she is a negress, and the supply of dramatic parts for her to perform is inevitably limited. The theory that Du-Bose Heyward, the author of the well-known and powerful novel of a decade ago called "Mamba's Daughters", was impelled to construct a play out of part of that novel only after he had seen Miss Waters on the stage is intrinsically probable, for a more perfect suiting of performer to part it is impossible to imagine. Miss Waters could unquestionably perform other characters than Mr. Heyward's *Hagar*, and possibly characters quite a long way removed from it, but she will be fortunate if she ever again finds a role so well calculated to bring out the best of every aspect of her skill.

Hagar is described in the opening scenes as a woman too simple-minded to cope with life in a great city such as Charleston, and if the term simple-minded is taken in its original and not its derivative sense, the definition is correct. She is inarticulate, slow in mental processes, incapable of analysis except by flashes of instinct, and dominated by a few primitive feelings of which those relating to motherhood take complete possession of her after the birth of her daughter Lissa. Because of these qualities she is doomed to make a tragic immolation of herself throughout her life for the sake of others, and her noblest actions are those which cause her the most trouble. But the tragedy of her story is lightened by the indomitable courage with which she faces all her successive difficulties, and which converts the play from what might have been a very depressing evening into an inspiring and uplifting experience.

The action takes place among a group of negroes on an island plantation near Charleston, with only a few white persons in the cast. Mr. Guthrie McClintic, a producer from whom we have become accustomed to expect only the best, has staged the play himself and given Miss Waters all the supporting talent necessary to establish the proper atmosphere for her own performance. Much of the technique of "Porgy" is visible in the production, in which most effective use is made of the choral capabilities of a negro crowd and of its extraordinary emotional variability. Most of the cast are little more than components of this crowd, but some important dramatic work is well done by Georgia Burke as *Hagar's* mother, Fredi Washington did intelligent and adequate work in a difficult scene as *Hagar's* daughter, but over-estimated the carrying power of her voice in the Royal Alexandra auditorium; possibly the rain machine helped to increase her difficulties. Robert Thomsen made an excellent impression as *Saint*, the sympathetic plantation manager; and J. Rosamond Johnson was of course perfect as a negro preacher.

The play itself has elements of melodrama which would probably obscure themselves rather annoyingly in a less adequate production, but anybody who would bother about them while under the spell of Miss Waters' acting is simply insensitive to thespian



FAREWELL TO LORD TWEEDSMUIR. Crowds in Ottawa who waited in line to pass by the bier of the late Governor General, lying in state in the Senate Chamber of the Dominion Parliament Buildings.

art. I think playgoers who have not read the novel should be warned not to worry about the plural in the title; there were plenty of Mamba's daughters in the original novel, even if there is only one visible in the play.

FOR the purpose of record I have to set down that the last three nights of last week were occupied at the Royal Alexandra by Earl Carroll's "Vanities", which includes a chorus number in which some twenty of the most comely damsels of the company come down into the aisles and play pat-a-cake with members of the audience in convenient seats in the stalls. The male person who goes with me to the theatre was selected for this honor by quite the nicest of the comely damsels and greatly enjoyed the experience. The production struck me as the best thing of its kind that has visited Toronto in several years. It has the enormous advantage of having

practically no male chorus, which to my mind is the most serious drawback of the ordinary revue.

It was suggested to me that there were occasions when the chorus had too little on, but as their costumes were practically identical with what can be seen on any beach in Florida when it does not happen to be snowing, I was unable to see much justice in this complaint. The truth is that the stage can no longer compete with the bathing beach in the matter of nudity, and is therefore compelled to resort to intensity of lighting; I have never seen so many candle-power played upon the human form divine in my life. There were also an excellent tap dancing team and a three-man acrobatic turn whose acrobatics and patter were both so brilliant that they took my mind back to the very best days of old-fashioned vaudeville, and that I can assure you is quite a long time back.

ART AND ARTISTS

Renaissance Painting in Europe

BY GRAHAM McINNES

ONE of the most exciting prospects given to the student of art history is that obtained from the great peaks of Italian Renaissance achievement. Before you lies the vast landscape of western European painting, and every moment the view grows more grand as the great discoveries of the Italians are seized upon by artists of genius and adapted to the spirit of each country. In 250 years of bursting activity, the West achieved its greatest glory, and crowned the superb unity of the Italian achievement with an amazing richness and variety. It is the age of the van Eycks, Breughel and Rubens in Flanders; of Hals, Rembrandt and Vermeer in Holland; of Velasquez and Greco in Spain; of Dürer, Holbein and Grünewald in Germany; of Poussin and Claude in France.

It is this era, unequalled before or since in richness and fecundity, that Frank Jewett Mather Jr. essays to treat in his new book "Western European Painting of the Renaissance" (Oxford University Press, \$6.00). If there is anyone more competent to give us a detailed yet broadly handled view of the most vigorous and complex era in art history, he has yet to be found. Readers of Professor Mather's "History of Italian Painting" will recall an encyclopaedic knowledge tempered by a sensitive appreciation, shrewd common sense, and above all, a warm, pervading humanity. These same qualities are at hand in his present work. Professor Mather is that rare person: a sensitive scholar and an excellent writer. He is as far from the pedant as he is from the facile populariser; and yet this should be a popular book because it makes the art of the period accessible and its artists human. But it does so without ever losing the dignity of the subject. Some writers who essay to cover so large a field give you the impression of walking an agonizing tightrope of brilliant, fact-filled epigrams across a yawning abyss of ignorance. But Professor Mather's simplicity springs from painstaking selection and compression

FROM this approach come many an interesting re-valuation. In the discussion of the Ghent Altarpiece, for example, Hubert van Eyck emerges as of considerably greater stature than Jan; and Professor Mather even claims, convincingly, that Hubert was responsible for the figure of Eve. The chapter on Jerome Bosch is a most masterly piece of psychological writing. The 15th century French, Spanish and German painters are sorted out with great lucidity; Professor Mather has an eye that unerringly singles out art from counterfeits.

There is a most loving appreciation of Breughel, a superb analysis of Grünewald's terrible Isenheim altarpiece, excellent evaluations of Greco, Rubens and Hals. In the question of the "Night Watch", the author sides on the whole with Rembrandt's patrons, and regards the celebrated painting as "a masterpiece gone wrong". In devoting considerable attention to the Dutch genre painters, he points out that they have been overshadowed by the giants of the period. He writes of Velasquez' "largeness of vision"; he insists on the importance of Claude's drawings, and is the first historian-critic who has made me feel that Poussin was as great a figure as he is generally counted.

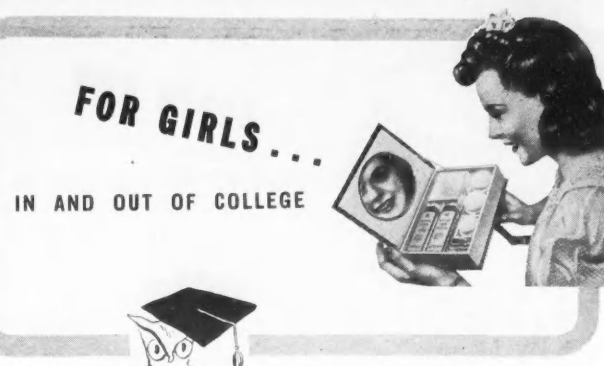
There is perhaps one drawback to Professor Mather's book, and that is the absence of synoptic chapters. You feel that the close-knit studies of men and their work should be punctuated from time to time with general sections summing up the essence of the age and the place. This essence we have to get at by a process of deduction. It's good for our souls; but in a general survey it should not be necessary.

Professor Mather omits English painting from his book. While this leaves a British reader at least with a faint sense of loss, it is hard to quarrel with the author for his omission. A consideration of Mor, Holbein, Rubens and van Dyck inevitably covers much of English Renaissance painting, and isolated figures like Hilliard and Eworth can hardly be dignified with the name of a school. Inigo Jones and Wren lie outside the author's field.

This is a generous and comprehensive work which, in addition to its 400 plates, has also an extensive bibliography and notes, and many appendices. All art lovers should make note of it.



JOINT RECITAL. Alberto Guerrero, the distinguished pianist, who with Joyce Sands (Hornysky), the brilliant cellist, gave a recital of modern works for piano and violoncello at the Art Gallery of Toronto on Friday, Feb. 23rd.



THE BEAUTY PRIMER

by

Elizabeth Arden

What do girls want — and need — in the way of beauty care? Elizabeth Arden knows! She has thoughtfully assembled, in a trim, attractive book-box, the nine Elizabeth Arden essentials that constitute a beauty curriculum for young faces.

Ardena Cleansing Cream, Skin Lotion, Orange Skin Cream, Hand Lotion, Amoretta Cream, All-Day Foundation Cream, Lipstick, Nail Polish, Illusion Powder \$5.50

Elizabeth Arden

Salons: SIMPSON'S—Toronto and Montreal

NEW YORK LONDON PARIS TORONTO

Coming Events

JOHN GOSS, the distinguished English baritone, first won his reputation in this country about a decade ago. Since then he has appeared in almost every city of importance in Canada and the United States and has come to be recognized here, as in England, as one of the finest recital singers of his generation. A musician of wide interests and great versatility, Mr. Goss can always be relied upon to provide a program of unusual interest. His advantages include an engaging personality and ease of manner, flawless taste and a delightful sense of artistic proportion. For refinement, delicacy and wholesale charm, it is difficult to find his equal.

For the Hart House Theatre recital on February 24, Mr. Goss will have the collaboration of the brilliant young English pianist, composer and conductor, Bernard Naylor. The son of the late Dr. E. W. Naylor, organist of Emmanuel College and University Lecturer in Musical History at Cambridge, and grandson

of Dr. John Naylor, a former organist of York Minster, Mr. Naylor comes from a well-known musical family. At sixteen he won a scholarship for composition at the Royal College of Music in London, where his principal teachers were Vaughan-Williams, Gustav Holst and John Ireland. From 1932 until 1935 Mr. Naylor was conductor of the Male Voice Choir and of the Symphony Orchestra in Winnipeg. The next year he went to Oxford as organist of Queen's College, conductor of the Eglesfield Musical Society and of the Oxford Chamber Orchestra. In 1939 he resigned all three and during the current season has been conducting and playing in London.

Saturday's program will include a group of Shakespeare songs, with settings by Dr. Arne, Thomas and William Linley; songs by Purcell; lieder from Schubert's "Die Schöne Müllerin"; a group of Schiller lieder with Liszt settings; and a group of songs by Peter Warlock.

Quick, Easy Cleaning with OLD DUTCH CLEANSER



CUTS GREASE—DOESN'T SCRATCH

As kind to hands as to surfaces

And that's why millions of women use only Old Dutch. It's the ONE-TWO CLEANING ACTION of Old Dutch that speeds up cleaning—1, cuts grease quickly; 2, makes cleaning easier. Old Dutch makes things sparkle quickly and keeps them sparkling because it polishes as it cleans. It keeps surfaces smooth and unscratched because it's made with Selsmolite. Get better acquainted with Old Dutch Cleanser and save yourself time, work and money. Try it.



WM. A. ROGERS PURE SILVERPLATE

Lovely Hollow Handle Dessert Server

Made by Oneida, Ltd. \$2.50 FOR 75¢

This beautiful piece of silverware is perfect for the correct serving of cakes, pies, brick ice cream and salads. You'll be delighted with the rich "Croydon" pattern, the handsome hollow handle and the sparkling Mirror Stainless Steel blade. Ideal for gifts.

Actual size 9" long

The firm Mirror Stainless Steel blade slices and lifts dessert servings.

Name _____ Address _____

SATURDAY NIGHT

THE CANADIAN WEEKLY

Established A.D. 1887
BERNARD K. SANDWELL, Editor
N. McARDY, Advertising Manager

Subscriptions for delivery in Canada and all parts of the British Empire, \$3.00 per annum. Single Copies 10 cts.

NOTICE TO ADVERTISERS

Advertising contracts are solicited and accepted by this business office or by any representative of "Saturday Night," subject to Editorial approval as printed in our contract form. The Editors reserve the right to reject any contract accepted by the business office, its branch offices or its advertising staff—to cancel same at any time after acceptance—and to refuse publication of any advertising thereunder at any time such advertising is considered by them as unreliable and undesirable.

No contribution will be returned unless accompanied by stamped and addressed envelope. "Saturday Night" does not hold itself responsible for the loss or non-return of unsolicited contributions.

Printed and published in Canada

CONSOLIDATED PRESS LIMITED
CORNER OF RICHMOND AND SHEPPARD STREETS, TORONTO 2, CANADA

MONTREAL: New Bldg. Bldg. Room 512, 101 Park Ave.
E. E. Milling - Business Manager
J. T. Crocker - Assistant Business Manager
J. F. Fay - Circulation Manager

Vol. 55, No. 17 Whole No. 2449



International Silver Company of Canada, Limited, makers of this impressive "First Love" tea service, recommend Silvo Silver Polish to keep all your silver lovely.

Silvo

adds lustre and loveliness
to your silverware

Much of the charm and beauty of your silverware lies in its soft, radiant sheen! And how well you can preserve that precious surface with SILVO! This liquid silver polish is clean . . . convenient . . . easy-to-use. Dullness and tarnish quickly vanish at its sure, safe touch. Use SILVO for your silver . . . and guard its gleaming beauty for a lifetime.



New Titles in the OXFORD PAMPHLETS ON WORLD AFFAIRS

The Nazi Conception of Law . . . BY J. W. JONES
An Atlas of the War . . .

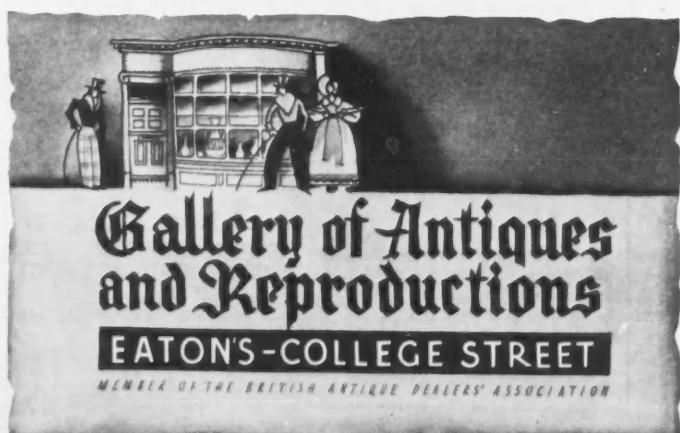
(15 MAPS WITH EXPLANATORY TEXTS)
The Sinews of War . . . BY GEOFFREY CROWTHER
Blockade and the Civilian Population . . .

BY SIR WILLIAM BEVERIDGE
*What the British Empire Means to Western
Civilization . . .* BY ANDRÉ SIEGFRIED

(This pamphlet also available in French)
Ask your bookseller for a complete list of
titles in this famous series

PRICE . . . 10c Each

Vigella the British Fashion Fabric
for DRESSES, SKIRTS and HOUSECOATS
Washable — Colorfast to Sun and Suds
At all leading stores or write for samples to Wm. Hollins, Ltd., 266 King St., Toronto



THE BOOKSHELF

CONDUCTED BY HAROLD F. SUTTON

Pamphlets on World Affairs

BY G. deT. GLAZEBROOK

THE NAZI CONCEPTION OF LAW,
by J. Walter Jones.

AN ATLAS OF THE WAR, by Geoffrey
Crowther.

THE SINEWS OF WAR, by Geoffrey
Crowther.

BLOCKADE AND THE CIVILIAN
POPULATION, by Sir William Bever-
idge.

WHAT THE BRITISH EMPIRE MEANS
TO WESTERN CIVILIZATION, by
André Siegfried. Oxford. 10 cents
each.

TO MEET a widening interest in world affairs, and in affairs which have steadily become more complicated, a number of organizations have been issuing series of pamphlets of various types and for varying needs. Some few months ago the Oxford Press began to publish these *Oxford pamphlets on world affairs* which have now reached to twenty-four in the general series and four in the Canadian group. The pamphlets are short (about thirty pages each), and are written for the most part by recognized authorities. They are in simple and non-technical language, but are serious. They are for the intelligent public rather than the expert.

The present group of five contains one of the most useful that has appeared: a small atlas of fifteen special maps, clearly drawn and illustrating the political and economic questions of most immediate interest. Each map is accompanied with a page of commentary, giving additional information. Mr. Crowther's purpose was to "compare the resources of man-power and materials available to us and to the enemy." In an admirably clear analysis he comes to the conclusion that in both respects the allies are in a stronger position. While the German population is large, and to a considerable extent the country can feed its population, the English industrial and commercial system requires relatively fewer men to supply the basic needs, and therefore releases more man-power for war purposes. Sir William Beveridge is concerned not so much with the method or the legal position of the blockade as with its effects on the civilian population. Goering's alternative of guns or butter is, he explains, more exact than a mere generalization, since the fats that are necessary food are also the main food of the guns—or of the munitions that they use. He comes to the conclusion that the exclusion by blockade of fats and grains is justifiable; for the German government is free to divert what resources it wants to feed its people. Only by an undue proportion being used for military purposes can the civilian population be starved.

Mr. Jones' pamphlet on Nazi law explains first the general effect on the German system of law of the National Socialist conception of the state, with its emphasis on racial purity, the leadership principle, the single party, and the subjection of the individual to the state. He then traces, in a most interesting way, the actual results of this approach on the law now in force and on the work of the courts. For the layman at least, this pamphlet breaks new ground.

Mr. Siegfried, in the pamphlet excellently translated by Professor Wrong, shows the understanding for, and admiration of, the British Empire which long study of its parts at close hand has given him. Most readers will find nothing new in his account of the transition from the old to the new empire, though that story has perhaps never been told more briefly and yet clearly. What is less common is to find a foreigner defending the size and position of the empire as a benefit to the world as well as to itself. "In working for themselves, the British worked also for Europe, for the United States, and in general for that white race which, in the saying of Kipling, carries the burden of civilization and of human progress."

Harlequinade

BY W. S. MILNE

HAMLET HAD AN UNCLE, by Branch
Cabell. Farrar and Rinehart. \$2.50.

MR. CABELL'S latest fantasy purports to be the true story of the historical *Hamlet*, as revealed in Scandinavian sagas, legends and histories. He has taken over the episode of the Amazonian Hermetrude from Saxo Grammaticus, has altered names to conform to Norse usage, and drawn additional characters and material from other accounts, but to weigh and collate "sources" for Mr. Cabell's *Hamlet* is to miss the point completely. In other words, this fantasy is much more Cabell than Hamlet, and its hero might just as well have been called *Jurgen*, except that then the book would not have been able to avail itself of the three hundred years' accumulation of publicity that the use of the name Hamlet gives.

The part of the history of Hamlet that Shakespeare used is covered in less than a third of the present tale,

but even within that there are some startling differences. Gertrude—to avoid confusion, I continue to use the Shakespearean names—was the mistress of Claudius before her husband's death, and Hamlet's vengeance was directed against his own father. There is no ghost. Ophelia is a very different piece of goods, and neither she nor her father play a large part. She has five brothers, all of whom are killed by Hamlet, who survives Claudius long enough to woo and marry first an English princess, and then a Pictish amazon, who eventually betrays him to his overlord and uncle—on the mother's side—Wiglerus, King of Denmark. Hamlet, by the way, was merely prince of Jutland. The part of Horatio is filled by Orton, a shadowy figure of Mephistophelian lineage, who supplies the good-looking young prince with the brains he lacked, at the same time seeing to it that the supply of such crimes as murder, rape, incest, treachery and general devilishness is not abated. The chief character in the story is uncle Wiglerus, an entertaining old rascal.

All this hodge-podge of blood and begetting is charmingly and elegantly told in the Cabell manner, which is a little more tedious now than when one encountered it in "Jurgen" and admired it as a gesture of protest at narrow-minded censorship. It would be more than usually silly to censor "Hamlet Had an Uncle" on moral grounds, for the whole thing is so elegantly unreal, with such a labored filigree-work of delicate pornography, as to seal its pages against the explorations of adolescent prurience more effectively than ever ban of bell, book and candle, to say nothing of the Customs' Department, could accomplish.

In other words, the book, while dirty in the popular sense of the term, has its dirt worked-over and forced through such ingenious word-nozzles that it is made to look like icing on a very fluffy and innutritious cake. There is wit in the book,



BRANCH CABELL

and much amusingly wanton dalliance with words, but a good deal of it reads as if Mr. Cabell had resolved to be artistically naughty at all costs. To me, that is much worse, artistically and morally, than mealy-mouthedness, and while I cannot judge the book sinful, I am emphatically of the opinion that it is boring. Indeed, there is so little substance in the story that one is forced to look for allegorical significance. I don't think there is any, although there is a fairly amusing dig at President Roosevelt, and some conventional fun-making on the theme of British respectability. I admire Cabell as a stylist, I have read "Beyond Life" with pleasure and gratitude many times, and I have chuckled over the gusto of some of his earlier novels, but I had to make an effort to finish "Hamlet Had an Uncle."

Not Paris

BY B. K. SANDWELL

THE ADMINISTRATION OF PARIS
AND MONTREAL, by Alfred John
Pick. Guy Drummond Publications
of McGill University. \$1.

MONTREAL is sometimes claimed to be the second largest French city in the world. Mr. Pick thinks *Marseilles* is probably better entitled to that place, but adds that Montreal is unquestionably at least the third. The idea of comparing the municipal problems, and solutions, of the greatest and the second or third greatest French cities is interesting, but is

hardly likely to lead anywhere. A prolonged residence in Montreal left me with the conviction that Montrealers, and especially French-speaking Montrealers, regard their city as something unique which can find no guidance in the experience of other great cities, and especially of that very immoral and godless capital of La Republique Française which mothered the French Revolution, drove out the Catholic teaching fraternities, and lately allowed known Communists to take part in its municipal government. While their reasons are wrong, their conclusion may be fairly right. Socially and economically Montreal is probably more different from all other large cities than any of its sisters in the western world. New Orleans might perhaps afford the nearest parallel. Paris, a government centre and not an ocean port, is almost at the opposite pole.

Mr. Pick's volume consists of three parts. The first two are very complete and informative studies of the governmental systems of Paris and Montreal respectively—though it has to be admitted that they deal with the ostensible workings rather than with the underground currents in which human nature exerts its influence upon governmental processes. The third, the comparison, occupies only 27 pages and deals almost wholly with finance. Mr. Pick thinks both Montreal and Paris prove the need for heavy national assistance in regard to unemployment relief, and that Montreal would do well to adopt some system for taxing the unearned increment in land values resulting from public improvements. He regards the statutory limitation of borrowing power as meaningless, and thinks the Legislature a poor authority to regulate borrowing anyhow, preferring to give that function to a special Commission of Control.

He admits that the law of increasing costs operates heavily in great cities as they continue to expand, but refuses to admit that the great city is therefore an economic error. He does not mention the change that has taken place in transportation in the last twenty-five years. The processes which threw up the great city took place under a steam and railway economy, which is a strongly centralizing economy. We now live under a gasoline-engine and electricity economy, which is just as strongly decentralizing. The great city continues to grow, but it may be doing so under the impetus of its past momentum, as a result of social and legal habits not yet accommodated to the new order.

WHEN YOU



TOWARD THE END OF A DAY-LONG DRIVE
in your big, smooth-cruising Mercury 8, when
you're *not* tired or cramped, and wouldn't mind
another hundred miles . . .

That's when you'll thank your stars for the
teamwork of Mercury comfort features—Center
poise Seating, long soft springs, and exclusive
levelized, stabilized-ride construction. You'll
agree that a light-footed Mercury is the nearest
thing to flying!



THIS HAS BEEN EASY



FOR 28 YEARS

28 years ago, a powdered chemical compound was introduced which took all the messy work out of cleaning toilets. Sani-Flush has been used for more than a quarter-century, and it is still the easiest and best known way to keep toilets clean and sanitary.

Just sprinkle in a little of this odorless powder twice a week. The porcelain glistens. Even the hidden trap is cleaned. Sani-Flush cannot injure plumbing connections. (Also effective for cleaning out automobile radiators.) See directions on can. Sold by grocery, drug, hardware and syndicate stores. 15c and 30c sizes. Made in Canada. Distributed by Harold F. Ritchie & Co., Ltd., Toronto, Ont.

Sani-Flush CLEANS TOILET BOWLS WITHOUT SCOURING

M. RAWLINSON LIMITED
Established 1885
MOVING — SHIPPING
PACKING — STORING
KI. 5125 - 610 YONGE ST.
LOCAL AND LONG DISTANCE MOVING
POOL CAR SHIPMENTS WITH SPECIAL RATES TO WESTERN POINTS

Quick Service



WORLD of WOMEN

Up in the Air-Ways

BY BERNICE COFFEY

"KEEP Saturday afternoon open," said the voice at the other end of Alexander Graham Bell's admirable invention—which we are slowly becoming convinced has a great future. "We're going to take you on an airplane trip across Canada to Vancouver."

We murmured something about having a dinner engagement Saturday evening.

"Don't worry about that," said The Voice. So we didn't.

It was a well-filled afternoon for not only did we take a vicarious trip across Canada via the Trans-Canada Air Lines color movie called, "The Swift Family Robinson," but for good measure we met the official in charge of the line's flying operations, one of the pilots and two of the stewardesses—all in uniform. Goodness gracious me, don't talk to us about the opening of G.W.T.W.

The picture presents a vivid and reassuring explanation to those who like to see what makes the wheels go 'round when they take to the air. It shows weather reports being received; the giant silver Super Electra planes—more than forty-four feet long from plexi-glass nose to tail-tip—being serviced in the shops; the communication system which keeps the pilots in touch with ground stations at all times; the numerous facets of the service which go into the making of comfort and safety of air passengers; as well as what Canada looks like to birds and humans in flight.

Other odds and ends of flying information about which we like to brood in our spare moments:

Charlie McCarthy sometimes lends a hand at the controls of the planes. Not alarming news, though, when it is made clear that this is the name playfully given the automatic pilot which keeps the plane on its course. Besides "Charlie" there are two flesh-and-blood pilots in every plane.

Anyone in Montreal or Toronto, for instance, with an overweening urge to get away from it all and only a week-end in which to do it, can leave

on a plane late Friday, spend Saturday afternoon, Sunday morning and Sunday afternoon in Vancouver, and be home for luncheon on Monday. My, my, how we do get around these days.

If, somewhere over Sioux Lookout perhaps, a plane passenger should remember he has walked—or rather flown—out of a dinner party, he can send a wire free of charge from plane for re-transmission by a commercial telegraph service at regular rates from ground stations.

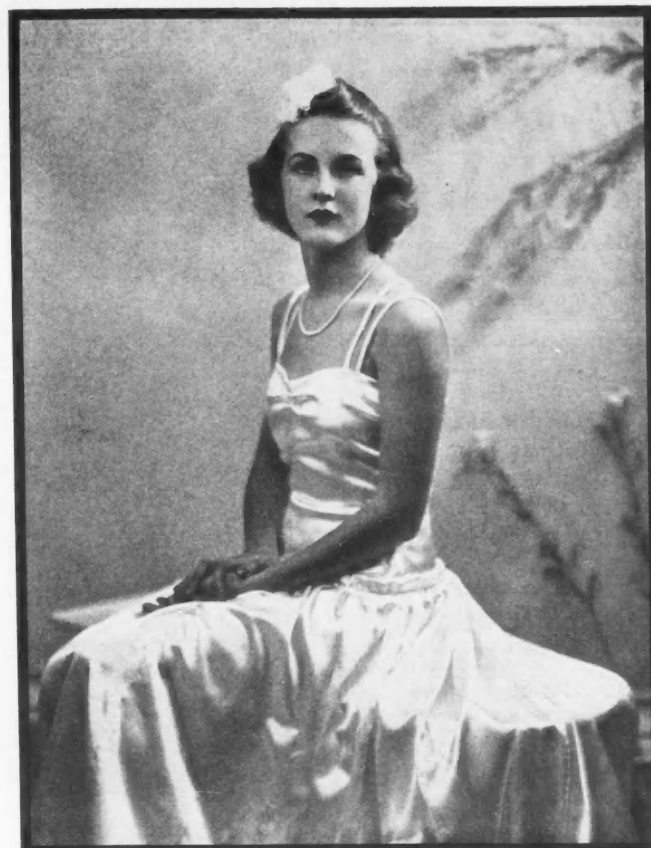
There's a double-track route in the air as well as on the ground but, unlike the railways, the tracks do not run side by side. One is 1,000 feet above the other. Planes going east and north fly at altitudes of odd thousands such as 7,000, 9,000, 11,000 feet. Those west and southbound take the even numbers—8,000, 10,000 or 'way up there at 12,000.

Those who can't bear to be parted from dear, darling Rover must remain groundlings. "Animals, birds and reptiles will not be carried," say the regulations in uncompromising black and white. The only exception—a humane one—is "Seeing Eye" dogs acting as guides for blind passengers.

And who says everything has a price? Light meals are provided in the planes at the company's expense. Cigarettes and chewing gum (to chew madly if the ears begin to ring) are on the house, too.

Every blessed thing, including the passengers, is weighed before a plane takes off. Fortunately there does not seem to be any penalty on overweight passengers, but there is a definite limit on luggage. Forty pounds are carried free on any ticket, and maximum dimensions for any single piece are 15" x 20" x 36". However, if you are pinning your hopes on a trans-oceanic hop it may be convenient to remember that the luggage limit on these trips is 55 pounds.

Yes, on the whole, the time has passed when "keeping your feet on the ground" was the sound advice it used to be.



MR. AND MRS. ALEXANDER HUNTER GREENLEES of Hamilton, Ont., have announced the engagement of their daughter, Sheila Adeline Alexis, whose photograph is seen above, to Mr. Edwin Hartley Cameron Leather, Royal Canadian Artillery, Kingston. Mr. Leather is the son of Mr. and Mrs. Harold Hamilton Leather, of Hamilton. The marriage is to take place in the Church of the Ascension, Hamilton, in March.

Home Work

Among the many groups of women engaged in work of great value to their country, few have assumed more important duties than those of the women's auxiliaries of the various regiments. It is they who, to a large extent, have assumed the responsibility of supplying various needs of the troops, as well as proper care for the families they leave behind.

The gala military ball at which the Officer Commanding and officers of the Royal Regiment of Canada were to have been hosts in February, has been postponed until Friday evening, April 5, when it will take place at the Royal York Hotel, Toronto. Proceeds will go toward the war work of the women's auxiliary of the regiment.

Come To Order, Ladies

When Judge Helen Gregory MacGill spoke recently at the first anniversary luncheon of the Vancouver Women's Art Association, she had some excellent advice to women's clubs in which proceedings are all too likely to take on a cozy, rather than parliamentary, atmosphere.

Some of Judge MacGill's remarks were: Only true parliamentary procedure can observe rights of the majority and preserve rights of the minority. . . It's very difficult to be cutting and caustic through a third person, therefore smoothness results from correct procedure. . . If motions must be written, it is amazing how confusing the subject can seem, if the motions are not presented clearly. . . Officers should know their duties, and members their duties and privileges. . . All members should study the constitution, know the rules and see they are carried out. . . Don't criticize after the motion; speak before it is passed. . . Vice-presidents have altogether too easy a time. They should support the president, not sit on the side.

How well Judge MacGill seems to know her sex!

Flowers And Fashions

Plans are now practically completed for the dance and fashion show, being held on the opening night of the Toronto Spring Flower Show under the sponsorship of the Preventorium Chapter of the I.O.D.E. at the Eaton Auditorium on Tuesday, March 5th. The show will be opened by His Honor the Lieutenant Governor of Ontario, Mrs. Albert Matthews will also be present.

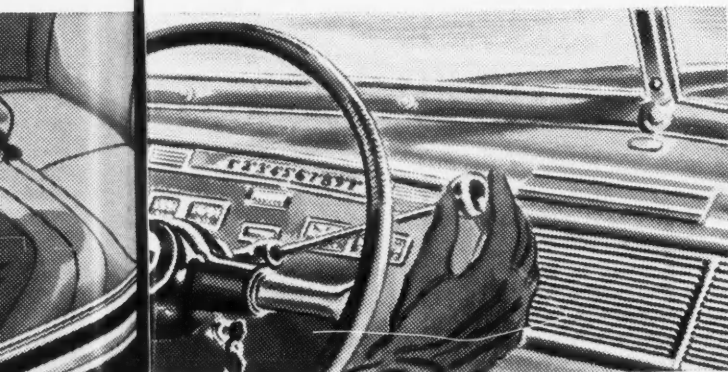
Proceeds are being divided equally between chapter funds and war work. This is an unusual venture for the Preventorium Chapter in that they have never before raised money by any kind of appeal to the public. It was started as a junior auxiliary to the senior board of the Preventorium. Five years ago, it became the Preventorium Chapter of the I.O.D.E. And now, like all I.O.D.E. chapters, since the war started, the Preventorium Chapter has added war work to their other activities.

The committees in charge are working under the convener'ship of Miss Margaret McMurrich. Mrs. Hilton Wilkes is convener of the ticket committee; Mrs. Edward Rolph is in charge of opening ceremonies; Mrs. J. C. Porter is convener of the publicity committee; Mrs. Graham Casels is convener of the fashion show committee. Other chapter members on the various committees are: Mrs. Andrew King-Smith, Mrs. Robert Gouinlock, Mrs. W. B. Baker, Mrs. Wm. Lovering, Mrs. Gordon Graham, Mrs. E. T. Watkins, Mrs. Gordon Rolph, Mrs. F. L. Hutchison, Mrs. John Hope, Mrs. Grant Gordon, Mrs. R. A. Armstrong.

Dr. and Mrs. L. J. F. Van Riemsdyk, of Winnipeg, have motored to the southern states and Florida where they will spend the next few weeks.

Mr. and Mrs. J. O. Latremouille and their daughter, Miss Marie Latremouille, have left Winnipeg for Florida, where they will spend the remainder of the winter.

YOU'LL LIKE IT MOST!



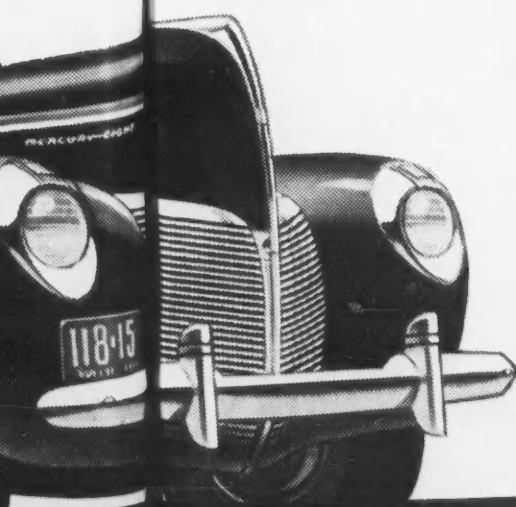
LONG DRIVE IN THE THICK OF TRAFFIC, when you find your Mercury handles with a touch and can run circles around the rest. When a Sunday drive leaves you fresh and your temper intact.

That's when the split-second power of the V-type, 8-cylinder engine is a blessing . . . when the extra-roomy seats—made possible by wide-flaring body lines—are worth their width in gold! That's when your sleek, cleanly-streamlined Mercury lives up to its looks!



WHEN YOU PAY THE BILLS and discover the money your big Mercury saves on gas alone (owners report 20 to 25 miles per gallon)—the welcome result of an ideal balance of power and weight . . .

When you realize you have a fine car in every respect: style, size, power and luxurious comfort—and a bonus of **ECONOMY** . . . that's when you've learned the Mercury's secret! Like to check up on it today? See any Ford—Mercury—Zephyr dealer.



MERCURY 8

MERCURY CARS ARE MADE IN CANADA
88,000 Canadian workers and dependants benefit because Mercury cars are made in this country. When You Buy a Mercury, More of Your Money Stays in Canada.



"NOT FOR ME," says Mrs. W. J. Ruggles of Victoria, B.C., to her daughter, Elizabeth, who is all set to drive one hundred and sixty-five miles up Vancouver Island to join a skiing party at Forbidden Plateau. Mrs. Ruggles remains at home to pick daffodils in her garden.

Make your own
Viyella
GOLF SKIRT
The British Fashion Fabric that wears and wears
UNSHRINKABLE - WASHABLE - COLORFAST
36 or 54 inches wide. At all leading stores or
write Wm. Hollins, Ltd., 266 King St., Toronto

VACATION DREAMS
COME TRUE

AT THE
**INDIAN RIVER
HOTEL**
ROCKLEDGE, FLORIDA
It's a playtime paradise, located
directly on the tropical Indian
River and the ocean. Golf, fish-
ing, ocean and pool bathing,
tennis, cocktail lounge, solarium.
Delicious food. Rates: American
Plan, from \$7 single; \$12 double.
Canadian funds accepted at par.
Write for booklet.
DOUGLAS A. STALKER, Mgr.

SEE THE "OTHER SIDE"

**ORIENT
BY N.Y.K.**
Banish the world of troubled headlines for
ancient lands of beauty and quaint customs.
N.Y.K.'s splendid "Ships of Friendship" will
speed you swiftly along peaceful, romantic
isles of the Pacific to Japan, the Philippines,
South America, China, Malaysia, India—most
anywhere—at surprisingly attractive rates.
LOW ROUND-TRIP FARES TO JAPAN
1st Class from \$595 Tourist Cabin from \$245
Rates subject to change.
Improved Service to South America
See your own **TRAVEL AGENT** or write Dept. 52
N.Y.K. LINE
(JAPAN MAIL)
25 Broadway, New York, or
Canadian White Star Ltd., General Agents in Canada

**Florida
AND THE SOUTH**

TAKE YOUR CHOICE
Coach fares to Florida are 1: west in
history. And Coast Line service is the finest.
Here are two new coach trains that
provide newest luxuries for comfortable
day and night travel. The only Reclining-
Chair-Car trains serving ALL East Coast re-
sorts. Individual reclining seats. Spacious
dressing rooms. Subdued lighting. All seats
reserved. All-one-class. Low-priced meals
in beautiful diners. Passenger agent, male
attendants, maid aboard each train. Many
unusual features. Yet no extra fares.
Take your choice. And speed in
safety over the only double track route
between the East and Florida.


**THE
Champion**
NEWEST stainless-steel, Diesel-powered
streamliner. Champion in speed and luxuries
as well as name. Tavern-Lounge-Observation
car. Also serves Jacksonville.
VACATIONER
THE early-arrival companion train of The
Champion. ALL super-de-luxe Reclining-
chairs. NEW smart Tavern-Lounge car. NEW
schedules—2 hours faster. Arrives all East
Coast Resorts before noon.

The Champion and Vacationer are
operated by Atlantic Coast Line Rail-
road and Florida East Coast Railway.
COACH FARES FROM WASHINGTON
TO 1 WAY RD-TRIP
Jacksonville \$12.40 \$22.35
Palm Beach 16.90 30.46
Miami 17.90 32.25
Other points in proportion
Consult Your Local Ticket Agent, or
R.S. VOIGT,
General Eastern Passenger Agent
16 East 44th Street New York
MUrray Hill 2-0800

**ATLANTIC
COAST LINE
RAILROAD**



THE DALMATIAN COAST IS RECALLED BY THIS VIEW AT DEL MONTE'S MIDWAY POINT.

PORTS OF CALL

Del Monte: Europe in America

BY ERIC COSTER

WITH the sea lanes to Europe closed tighter than a Toronto barber shop on Wednesday afternoon, many Canadians are making the pleasant discovery that many of the famous beauty spots of Europe are duplicated nearer home and can be reached without even looking at a steamer. For example, look at Del Monte, California's great winter resort which stretches over 20,000 acres of forest, mountain and seashore on the picturesque Monterey Peninsula.

In the Hotel Park at Del Monte are trees from upwards of fifty different countries and visitors who like a foreign tang to their vacations without expending the time and money usually involved may have themselves photographed beneath the linden trees of Germany or beside the maiden hair tree which owes its existence in the world today to the priests of China.

Little Bohemia

Del Monte's famous Seventeen Mile Drive has been likened by world travelers to the Dalmatian Coast and its beauty has been heralded for decades by poets and artists who live in nearby Carmel-by-the-Sea, a quaint little American replica of storied Bohemia. To make the circuit of the drive is to remember it forever. Here the blue Pacific mingles with cloudless skies and the grandeur of age-old cypress trees to produce vistas of unforgettable beauty.

Monterey was California's first capital and over its old Customs House, which is still standing, have



POLO equal to anything to be seen in England is played at Del Monte from October until April. The resort boasts the most complete polo plant in the West with five fine fields, clubhouse and excellent stable accommodations.

make their way from British Columbia to Pacific Grove, third of the Monterey Peninsula cities. With an instinct as unerring as the old carrier pigeon's, they find their way to the same clump of trees which their ancestors have used for generations, and from November until March the countryside is dotted like Germany after a leaflet raid with these graceful creatures with their strikingly wide reddish-brown wings which are black-bordered with rows of white dots around the outer edges.

But the "foreign" atmosphere of Del Monte can be felt long before the traveler reaches the Monterey Peninsula. The new ten-million-dollar Carmel-San Simeon highway through California's last coastal wilderness compares favorably with the Amalfi Drive in Italy and the Grande Corniche on the Riviera, in its scenic beauty. The road runs from San Luis Obispo to the Monterey Peninsula. Edging always on the blue Pacific, it zooms to heights where eagles, startled from their craggy nests, pace the traveler through the clouds; it dips again and again to rolling farm lands; is reined back miraculously before white-foamed combers which thunder in from the Orient; winds through groves of California redwoods; and arches gracefully over its thirty-two bridges.

The road runs from San Luis Obispo to the Monterey Peninsula. Edging always on the blue Pacific, it zooms to heights where eagles, startled from their craggy nests, pace the traveler through the clouds; it dips again and again to rolling farm lands; is reined back miraculously before white-foamed combers which thunder in from the Orient; winds through groves of California redwoods; and arches gracefully over its thirty-two bridges.

And Scotland

Not even in Scotland, the proud parent of the game, is there greater interest in golf than on the Monterey Peninsula. Del Monte has four championship courses within a radius of five miles. Best known of these is Del Monte's sea-side Pebble Beach course where the California State Amateur Golf Championship is held annually.

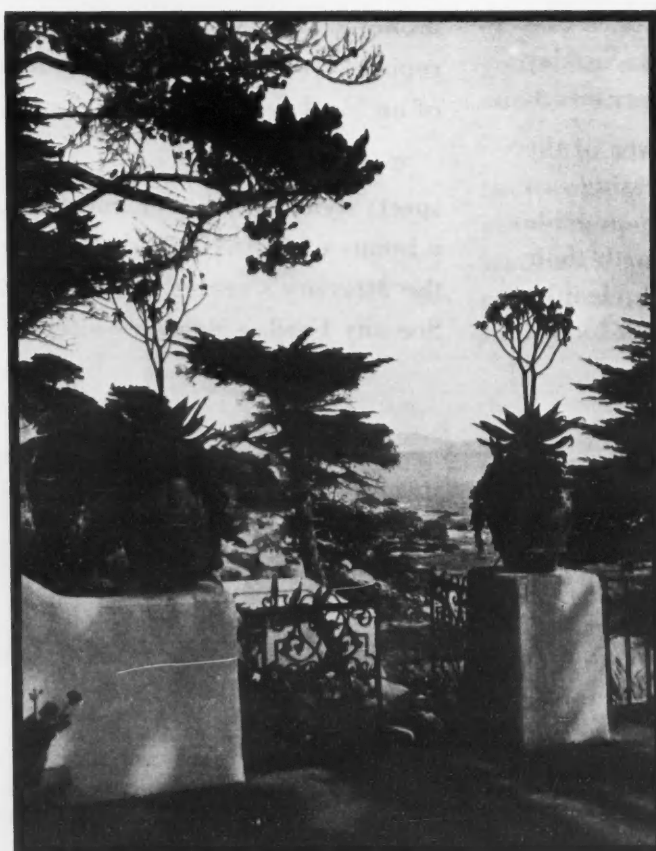
Polo holds sway at Del Monte from the end of October until the middle of April in a setting reminiscent of the Beaufort club in Gloucestershire, England. Boasting the most complete polo plant in the West, Del Monte has five polo fields, a clubhouse and excellent stable facilities.

Tennis and badminton are winter sports at Del Monte with Elizabeth Ryan, nineteen times Wimbledon doubles champion, as instructor. Swimming and sun-bathing are as all-year-round as the California sun. At night there are gay dinner dances.

Probably nowhere else in the world is there such diversified scenic beauty, such variety of life and so much to add to the joy of liv-

Travel Bookshelf

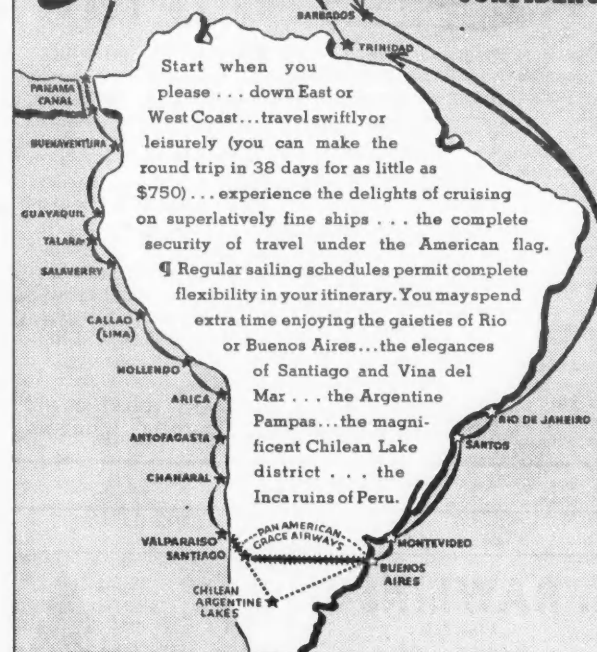
SOUTHWARD HO! by William La Varre. Doubleday, Doran. \$3.25. Written by an explorer who has probed the Americas to the south in search of all kinds of treasure, "Southward Ho!" tells of the changes which two decades have wrought in the face of the mysterious continent and of the even greater changes which are to come as the treasures of the little-known interior assume increasing importance in the world outside. The story of South America told by a man who has seen wonders which few white men have ever witnessed. Illustrations by the author.



THE FRENCH RIVIERA itself can offer a no more beautiful view than is enjoyed from the terrace of this palatial home which is built on rocks overlooking the Pacific Ocean. It is situated on Del Monte's Seventeen Mile Drive.

Cruise 'Round South America

LUXURIOUSLY...
ECONOMICALLY...
WITH COMPLETE
CONFIDENCE



In Famous American Flag Ships of GRACE LINE and MOORE-McCORMACK LINES

A VARIETY OF OTHER TOURS AND CRUISES
from \$180-\$675 and up, according to cruise selected

- | | |
|---|---|
| 11 Days to Colombia and Havana. | 25 Days to Barbados, Rio de Janeiro and Trinidad. |
| 12 Days to the Caribbean and Venezuela. | 38 Days to Barbados, Rio de Janeiro, Santos, Montevideo, Buenos Aires and Trinidad. |
| 38 Days to Panama, Colombia, Ecuador, Peru and Chile. | |

See your travel agent or

AMERICAN EXPRESS

Ground Floor Canadian Bank of Commerce Bldg., 25 King St., W.,
Phone ELgin 5221, Toronto, Ont.

American Express Travelers Cheques Always Protect Your Travel Funds

FOREST HILLS HOTEL
SOUTH'S BEST GOLF (WITHOUT STEEP HILLS)
At Hotel Door
18 HOLES
Grass Greens
Green Fairways
Excellent
Tennis
Airport—1 Mile
AUGUSTA • FIREPROOF • 300 Rooms • Georgia

TO ALL
**Europe
via ITALY**
ON FAMOUS SUPER-LINERS
FROM NEW YORK
to Naples and Genoa:
CONTE DI
SAVOIA. MAR. 2
also March 30, April 27
REX. MAR. 16
also April 13, May 11
to Azores, Lisbon, Palermo,
Naples, Patras, Trieste:
SATURNIA. MAR. 20
also April 20, June 1
VULCANIA. APR. 4
also May 4, June 15
**PREPAID PASSAGES
FROM EUROPE**
to North America, Central
America, South America and
other world ports may be ar-
ranged in U.S. frequent sail-
ings from Italy. Ask for details.
Apply to TRAVEL AGENT
or Dominion Square Bldg.,
Montreal.
ITALIAN LINE

**HOTEL
DENNIS**
CANADIAN FUNDS
ACCEPTED AT PAR
WALTER L. BUDY, INC.

ABOUT FOOD

Between Adam and Eve

BY JANET MARCH

THERE is a Japanese proverb which says: "Apple blossom is beautiful but dumplings are better." Even a mention of apple blossom makes one nostalgic for spring. An orchard in bloom against a twilight spring sky is one of the most lovely things in the world, but let's not even think of it with the wind whistling and the sleet freezing on the windshield. Let's side with the practical Japanese and think of dumplings. We have been cold, we are cold, and we will be cold for some time to come, but we are not in Europe where "The Baltic shows signs of freezing over for the first time in six hundred years." Our plumbing works, even below zero, and our trains don't get lost. Just pass the dumplings and take heart and keep the joys of apple blossom for May where they belong, when there isn't a dumpling to be had. Beauty taken alone is sort of a hungry business anyway.

If you haven't bought a lot of apples this year you must have developed immunity to advertising. If so, you are the 'forgotten man' in this age and there's something wrong with your conscious or your sub-conscious. The Dominion Department of Agriculture has been carrying on a campaign to sell Canadian apples in a bumper year with most of the English market cut off. Their little green folder which, at many shops, you get tucked into your basket of apples, is full of good recipes. It is said that the effort has been so successful that now, in the late winter, we may have a shortage. If so, the apple grower with fruit in cold storage has had his bacon saved for him, but the campaign got going a little late for the farmer with no storage facilities who sadly sold his apples at less than the cost of spraying, picking and packing.

Not only does the Department of Agriculture come with you into the kitchen and help you cook your apples, it protects you in your buying with a neat chart telling you what to buy in which month, and classifying the brands as cookers or eaters. The Northern Spy is still the King of Them All, the only one described as "Good" for both eating and cooking. It may be a slow grower, but it is the best seller in the end. It has everything—color—firmness—flavor—and keeping qualities. You can't go wrong in growing or eating Spys.

It would be wasting you and my time to try to tell you how to make an apple pie or apple sauce—you all know and the government stands ready to help you if you don't. Here are some recipes for unusual apple dishes which the adventurous may like to try.

Stuffed Baked Apples

Take eight big tart apples, core them and peel them a quarter of the way down from the stem. Put them in a large flat saucepan, not touching each other. Pour on three quarters of a cup of hot water. Fill the core holes with sugar and sprinkle sugar on top, add the peel of an orange, and if you like things pink, a drop or two of pink coloring. Cover tightly and cook very slowly until the apples are tender. Lift them out carefully—the egg lifter is useful here—and put them in a greased baking dish and stuff with a mixture made with equal parts of chopped dates and figs, seasoned with cloves and cinnamon, and with one tablespoonful of rum added. Sprinkle with sugar and brown in an oven about 375°. Serve with whipped cream.

The Persians thought of the next one, and I hope you like it.

Chicken Apples

Cut a slice off the top of each apple and take out the core, but carefully without making a hole right through. Enlarge the core hole a bit by scraping with a teaspoon until you have a respectably sized cavity—as the dentist says—to fill. Chop up some meat of a cooked chicken and stuff the hole in the apple with it. Sprinkle the top with sugar and breadcrumbs, stick a few cloves in each apple, put a few daubs of butter on top of the crumbs and bake in a very slow oven. Try this for lunch with a green salad and coffee. Thinning and good.

Vegetables are always rather a problem by this time of year. The nicest ones cost rather more than the meat for dinner, and the family can say some pretty pointed things about the good old roots and the number of times they appear. Try doctoring winter beets this way.

Beets and Apples

Take four cooked peeled sliced beets and put them in a pan with five tablespoonfuls of butter, one chopped onion and four chopped sour apples. Season with salt and pepper and nutmeg. Cook slowly and use with pork or chicken. It's a Dutch dish.

One of these Lenten Fridays order a large salt herring and make it into

Herring Salad

Skin and bone the fish, or better still, make the fishmonger do it for you. Cut it up into small pieces. Take three cooked potatoes and chop them up. Peel and chop two apples and one small beet, season and put in a salad bowl lined with lettuce, and decorate with slices of hard boiled egg.

Apple Cake

Apple Cake is said to be a Dorset dish, and here is a recipe for it.

3 cups of flour
3 cups of chopped apples
¾ cup of shortening—it is best to mix butter and shortening in equal parts
½ cup of sugar
Salt
2½ teaspoons of baking powder
Milk to make a firm dough

Cut the fat into the flour, and then add the salt and the baking powder. Mix the apple with the sugar and stir it into the flour mixture. Make into a firm dough by adding sufficient milk. Mould into a flat cake about ¾ inch thick and bake in a round flat tin for about an hour. Cut open, butter, and eat hot.

If your supplies of pickles are running a little low you might make up a little of this apple chutney.

Apple Chutney

4 pounds of cooking apples.
4 pounds of sugar
1 pound of raisins
½ pound of mustard seed
½ pound of salt
½ pound of blanched almonds—chopped
½ pound of chillies—chopped
3 pints of vinegar
1 pound of green ginger—chopped
½ pound of garlic—chopped

Slice the apples into long thin pieces and put them in a saucepan with half the sugar and a little water, and cook slowly until they are very soft. Let them cool, and then mix in all the other ingredients. With the



CAPTAIN JAMES W. FLANAGAN with Mrs. J. W. Ross and Mrs. Henry Burden, when he opened "Divadale," his beautiful Bayview residence near Toronto, for a tea held by the Forest Hill Chapter I.O.D.E.

remaining sugar and the vinegar make a thick syrup and pour it over the apples very hot. Bottle when cold.

Having started with a proverb we might as well close with one. This time it's from France. "A windy year an apple year, a rainy Easter a cheese year." Couldn't we hit the happy medium and make the best of two worlds?

"Hamlet"

(Continued from Page 25)

unable relaxation in his off hours. Then followed a chain of circumstances that so often determines careers. Laurence Housman, author of "Victoria Regina," came to one of the society's performances of his plays about St. Francis and was so impressed by young Evans that he recommended him to the Glastonbury Festival, where in turn Evans won a recommendation to the Cambridge Festival of the old university town.

HERE he proved so satisfactory he was given twenty-six parts in twenty-six weeks, but the decision to become an actor by profession was still to be made. It was when he returned to London that he sought opportunity in the theatre but how skeptical he was may be gathered from the fact that he started a cleaning establishment, known as "The Nine to Six Cleaners," and to this day, he has a financial interest in it.

At this time, his former employer at the music house, looking for a young actor who could sing in a musical production, remembered the young man who seemed to have too much personality for routine office work. Evans then got his first opportunity on the London stage, yet so practical-minded was he that he often arrived at the stage-door in one of his laundry vans.

His rise in the theatre was rapid and soon he was known as one of the most engaging young actors on the London stage. But not once did he appear in Shakespeare. Typical of his roles was that of Captain Raleigh in "Journey's End" which he performed for a run of sixteen months. It was Dame May Whitty who saw in him the unusual gifts which are now widely recognized. She urged him to

accept an invitation to play the leading roles in the Shakespearean productions at the Old Vic.

His performance of the greatest role in dramatic literature, "Hamlet," led to his coming to New York where he first stirred the press and public by his run of one-hundred and seventy-seven performances in "King Richard II." His engagements during the last two seasons as Falstaff in "Henry IV" and as Hamlet broke records and he now stands out as the foremost actor of Shakespeare on this continent.

TRAVELERS

Miss Jean Lawson has left for Miami, Florida, to spend the balance of the winter with her parents, Mr. and Mrs. Ray Lawson of London, Ont.

Mrs. Robert W. Armstrong, of Toronto, has joined her parents, Mr. and Mrs. John Coulson, in Palm Beach, Florida. She will sail for England in March to join her husband, Captain Armstrong, who is with the Canadian Expeditionary Force.

Mrs. Campbell Mackay and her son, Douglas, have left Saint John, N.B., to spend a month in St. Petersburg, Florida.

Miss Muriel Joseph has returned to Montreal from Savannah, Georgia, where she spent six weeks with Madame Serra, of Rome, Italy.

Mrs. J. K. M. Ross, who has been staying with her parents, Mr. and Mrs. James Ballantyne of Montreal, has left to join Mr. Ross in Trinidad, where she was accompanied by her sister, Miss Barbara Ballantyne.

Mr. and Mrs. I. G. Perley-Robertson and their daughter, Miss Jean Perley-Robertson, have left Ottawa for New York from where they will sail for Bermuda to spend the next few weeks.

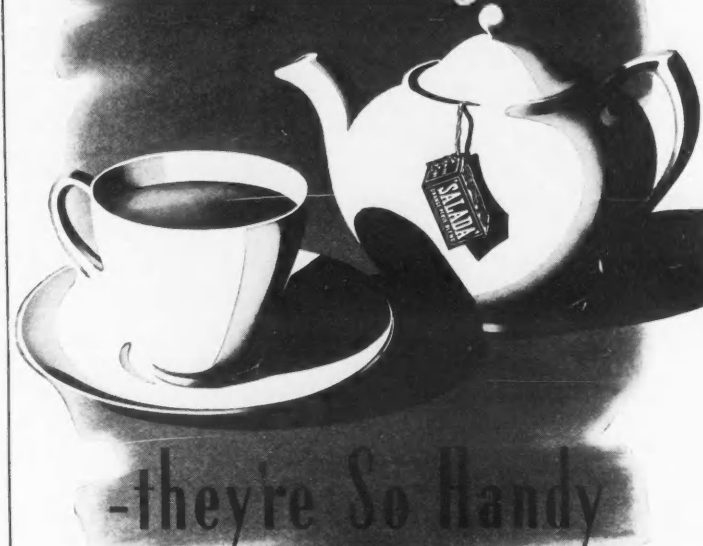
Mrs. Evelyn Woods Booth, of Ottawa, has gone to Florida for a few weeks' holiday.

Mr. Philip McBean has left Winnipeg to spend some time in Miami, Florida.

Mrs. Aeneas Bell-Irving and her daughter, Penny, have left Vancouver for Salt Spring Island where they plan to remain until spring.

Mr. and Mrs. R. S. McLaughlin of Oshawa, Ont., have left for their winter residence in Bermuda.

'SALADA' Tea Bags



"Love's Most Beautiful Tribute — Stained Glass"

A MEMORIAL window by Hobbs is a permanent commemoration in colour, light and life.

It not only pays enduring tribute to a loved one, but adds richly to the beauty of the church.

Such a memorial finds its highest type of expression at the hands of our guild of European-trained craftsmen whose life aim is the design and creation of stained glass works of art.

Hobbs
STAINED GLASS STUDIOS

54 DUKE ST. - TORONTO



"The perfect complement—rich tones of music and beautiful tones of living colour."

OH BOY—

FISH

Never a doubt of how the menfolks think when there's a tasty dish of FISH waiting their hearty appetites! The way they go for a meal like that would make you think it worth while to take a lot of trouble getting it ready. But that's where you get a break, too, for it's so easy to prepare delicious dishes of Canadian Fish.

Ladies, write for the FREE recipe book. Learn how many "scrumptious" dishes can be made with fresh water Fish or sea Fish. You'll escape a lot of "menu-worry" and reach the men's hearts in the good old way. Serve Fish often . . . they'll enjoy it, every time.

DEPARTMENT OF FISHERIES, OTTAWA.

Ladies WRITE FOR FREE BOOKLET



Fish Soufflé
3 tablespoons butter
4 tablespoons flour
1½ cups cooked or canned fish
3 or 4 eggs
1 cup milk
Salt and pepper
Melt butter, add flour, mix well, cook a few minutes, stirring constantly. Then add hot milk a little at a time. Season. When the sauce is well cooked, cool, add beaten egg yolks and fish. When cold, add the beaten egg whites. Pour mixture in a greased baking dish, and cook 30 to 40 minutes in a moderate oven.



THE ABBREVIATED SKIRT of this beach suit unites to reveal even more abbreviated shorts for swimming. Vera Borea designs it in "toile bayadere."

Department of Fisheries, Ottawa. 943
Please send me your 52-page Booklet, "100 Tempting Fish Recipes".

Name (PLEASE PRINT LETTERS PLAINLY)

Address

D-39

THE BACK PAGE

The Dance

BY KENNETH MILLAR

HIS first year in high school John had not gone to the annual school party at all; you don't feel much like going to a party in short pants. His second year he had marched off to the party resolved to have a good time, and had spent the evening with a few boys of his own age, playing crokinole in the Games Section. His third year he had dared to set foot on the slippery floor of the gymnasium, but not to dance. He had stood for more than an hour, with other boys who were afraid to dance, against the wall opposite the bench where the girls sat and giggled. He had pretended to be hard to please, to be "looking them over," while desperation slowly wound up inside him. Finally he had gone home.

This year it was going to be different. It had to be different; he was sixteen years of age. He must get within the enchanted circle, where the sleek youths and the bright-eyed maidens whirled and glided and whirled, and laughed joyously together. Of course, he had no older sister to teach him to dance, like Alec had, for example. But after four that afternoon, Alec's sister had spent an hour in front of the radio with him, teaching him the basic step of the fox-trot, and he had mastered it. As John hurried from the bathroom back to his room, his mind returned to the movement as to

from being conspicuous. And already a centripetal moral force had grouped the unattached girls on the benches on one side of the room, the unattached boys on the other. John, keeping time with the music for practice, walked over and merged with the blue serge phalanx.

"I'll just wait a while until I get the feel of the music," he told himself. "There's no hurry."

The boy standing next to John turned and said: "Gosh, I'd hate to be a girl. Have to wait until somebody asks you. I wouldn't touch any of them over there with a ten-foot pole. They should know better than to come by themselves. But there's going to be a Sadie Hawkins dance after a while. That'll give some of them a chance."

A Sadie Hawkins! Maybe he wouldn't have to ask anybody. Maybe they'd ask him. Almost immediately John felt ashamed of the idea. He couldn't just stand and wait for a Sadie Hawkins. He knew what standing and waiting was like.

He replied to the other boy, in order to keep up the conversation. You can't just stand there. "That little girl over there in the yellow is pretty nice. She's in Third, isn't she?"

"Yeah, but look at her eyes. She's cockeyed. I'm looking for something better than that."

The other boy had been standing there longer than John, and numbing fear was trickling down his spine. He found it necessary to be slushingly unkind to comfort himself.

The music stopped, and silence descended on John like a cold shower.

Did he have to go this time? He really didn't feel warmed up to the music yet. More audacious boys were weaving through the crowd, whispering courteous requests to willing young ladies, and moving gracefully away with dancing-partners. But the girls on the benches remained huddled there, laughing and talking gaily, and the blue serge phalanx of unattached boys remained virtually unbroken. No, not this time, John decided, but next time, for sure. He mustn't let himself get the habit of just standing there, like last year. You've got to break the ice some time. The orchestra began to play again. He was afraid to feel relieved, but he felt relieved.

THROUGHOUT this dance, and the next, John stood and watched the dancers. Might just as well pick up a few pointers if he could, before he started to dance. The little girl in yellow on the other side of the gymnasium was watching the dancers, too, with intense interest. She couldn't see them very well, without her glasses, but she sat and watched them with intense interest, and wished she had never come. She also wished she had never been born.

The cold shower of silence came down again on the paralyzed blue serge and the forlorn benches. But this time there was a diversion. The orchestra leader stood up on the platform at the far end of the gymnasium, and said through a megaphone:

"Ladies and gentlemen. The next number will be a Sadie Hawkins Special. Take it away, ladies!"

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

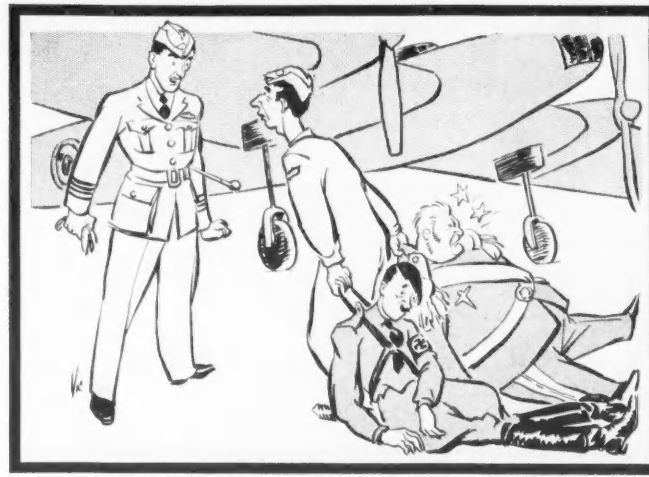
John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.

John had gradually been sinking into a stupor of shame and impotence, but the announcement revived him somewhat. If some girl would just ask him and get him out on the floor, he'd probably be all right. But would any girl ask him? For a moment John realized how the girls on the benches must feel when nobody asks them to dance. But his flash of insight was obliterated by the darkness of his indecision.



"A couple of bombs? I thought you said you wanted a couple of bums!"

By Victor Child.

or quit school and go away and never come back. He blushed even more violently, and smiled foolishly.

"Yes, I would, but I'm not a very good dancer. But I certainly would."

The little girl in yellow took his arm, and smiled up at him. John smiled back. His face felt as if it were grimacing. What do you say to them at a dance? You've got to say something.

"That's a darned good orchestra they got for tonight, isn't it?" said John.

"Oh, I don't know," said the little girl in yellow. "I've heard lots better, but it's good considering that it's at a school party. Last summer up at the beach they had some real orchestras, though. We used to go dancing every night. I love dancing, don't you?"

"I certainly do," said John, as the music started. The girl led him on to the floor. He felt as if he were walking on stilts. As the girl jockeyed him into position, he felt he must tell her:

"I'm afraid I'm an awfully poor dancer. I hope you don't mind."

She smiled up at him encouragingly, and they began to dance.

Gradually John's legs thawed, and the piece of ice in his chest melted. He seemed to be getting along pretty well. Couldn't help bumping a few people, of course. The floor was pretty crowded, and he didn't have eyes in

the back of his head. But he was getting along all right.

When the music stopped, everyone clapped. John clapped. The music started again.

"I don't think you're a poor dancer, at all," said the girl in yellow. "I

EYES FRONT!

WHAT did we care for Huns and Goths?

Or that they might come shooting!

We rather feared the pesky moth

Might get our soldiers' suiting

So when war came, we must confess,

There were no stores of battle-dress.

Wherefore we stopped recruiting.—

It really would have been too bad

To have Full-Dress Parades, unclad!

GEOFFREY WARBURTON COX.

think you're a very good dancer. Your time is perfect."

"Is it?" said John. He was not really surprised. He had always felt that his time would be good, if he ever decided to take up dancing. And now it was. He looked down at the little girl in yellow. Cockeyed, boloney!

She had darned nice eyes. Sort of pleasant and sincere. Her hair smelt kind of nice, too.

"You're pretty good yourself," said John.



Eatonia

"Comes Out" for Spring in
NEW HOSIERY HUES

Here's your old favourite—and the best regular 1.19 stocking in town—dressed up in handsome new colours. Colours with vitality and verve. Colours in the right key for Spring symphonies

TEMPO (brownish medium beige) SOPHISTICATE (burnished copper)
LANGUID (neutral beige) DYNAMIC (golden tan)
VANITY (rosy glowing beige) LIVELY (medium glowing beige)
TEMPTATION (rosy beige) JOYOUS (soft rosy beige)

Short Length sizes 8-10, Medium Length sizes 8½-10½, Long Length sizes 9-11.

Still the same unsurpassed quality, the same fine range of weights for every person and every purpose.

PAIR \$1.19

You Can't Beat Eatonia for Reliability and Value

Main Floor Yonge St.
EATON'S-COLLEGE ST. Main Floor
THE T. EATON CO. LIMITED

ENCIRCLEMENT

WHAT happened to the dinosaur, the deinos sauros?

Where is the terrible lizard?

He grew too big. Insatiability destroyed him.

His great bulk foundered in the pools of pitch.

He drowned in the yielding mud.

But if he escaped the quagmire and the earth that held him not,

He was yet swallowed up.

He was drowned from within, he was devoured by the curse of size.

He could not eat enough in twenty-four hours

To give himself a day's nourishment.

There are dinosaurs abroad today.

They go about the earth as the deinos sauros.

Seeking whom they may devour.

If they ate us all, they would yet starve.

There is not enough in the whole world to feed them

And they must perish as the terrible lizard did.

There is no such thing as *lebensraum* for a dinosaur.

DAVID BROCK.

a talisman, and he began to fox-trot down the hall. That good old step would take him through anything. He felt poised and confident.

The feeling did not desert him until he had carefully locked the door of his father's car, and turned to look up at the school. Every window poured light. For a moment the old feeling of being outside looking in took hold of John's arm like a policeman. But he snubbed it as best he could, and sauntered up the front steps of the school. When he opened the door he heard the orchestra in the gymnasium begin to play. It was a fox-trot. John's body became as taut as a sprinter's just before the gun.

IN THE Boys' Cloak Room he waited until he was alone, and then surveyed himself in the mirror. His hair was very flat and shiny, as he had hoped it would be, but the points of his collar were sticking out. He gave them a tug, and hunched his coat over them. It would be all right if he held his shoulders well forward. Holding his shoulders well forward, John walked out of the cloak-room and down the hall in the direction of the music. The music expanded around him like a sun-flower opening.

He was not too early. There were enough couples dancing on the waxed floor of the gymnasium to protect him

any sporting-goods store—will do. This is known as Sex Appeal. No self-respecting lion can possibly resist the subtle flattery and publicity value of being seen in rotogravure sections with a lovely, well-formed young lady standing on his head.

Never omit packages of the popular cigarettes. This is for pictures showing the steady nerves of the hunter during crises, such as, for example, being arrested for hunting without a license.

It is a clever idea also to shoot the lion before mounting his head, and not after.

Last but not least, please remember that it is considered bad form and unsporting to bargain excessively with the lion for his services in the expedition. Try if possible to satisfy him at his own terms. Even if this entails considerable expense, keep in mind that the lion is absolutely *de rigueur*. Some hunters, in order to cut down expenses, have attempted to dispense with the lion altogether, but there resulted a noticeable lack of tone, and they with their safaris were never afterwards admitted to the best circles.

Every well-appointed safari includes a beautiful model in *chic* hunting costume. If this is not available a Jungle Beauty in sarong—which can be procured very reasonably in

any sporting-goods store—will do. This is known as Sex Appeal. No self-respecting lion can possibly resist the subtle flattery and publicity value of being seen in rotogravure sections with a lovely, well-formed young lady standing on his head.

Never omit packages of the popular cigarettes. This is for pictures showing the steady nerves of the hunter during crises, such as, for example, being arrested for hunting without a license.

It is a clever idea also to shoot the lion before mounting his head, and not after.

Last but not least, please remember that it is considered bad form and unsporting to bargain excessively with the lion for his services in the expedition. Try if possible to satisfy him at his own terms. Even if this entails considerable expense, keep in mind that the lion is absolutely *de rigueur*. Some hunters, in order to cut down expenses, have attempted to dispense with the lion altogether, but there resulted a noticeable lack of tone, and they with their safaris were never afterwards admitted to the best circles.

Every well-appointed safari includes a beautiful model in *chic* hunting costume. If this is not available a Jungle Beauty in sarong—which can be procured very reasonably in

any sporting-goods store—will do. This is known as Sex Appeal. No self-respecting lion can possibly resist the subtle flattery and publicity value of being seen in rotogravure sections with a lovely, well-formed young lady standing on his head.

Never omit packages of the popular cigarettes. This is for pictures showing the steady nerves of the hunter during crises, such as, for example, being arrested for hunting without a license.

It is a clever idea also to shoot the lion before mounting his head, and not after.

Last but not least, please remember that it is considered bad form and unsporting to bargain excessively with the lion for his services in the expedition. Try if possible to satisfy him at his own terms. Even if this entails considerable expense, keep in mind that the lion is absolutely *de rigueur*. Some hunters, in order to cut down expenses, have attempted to dispense with the lion altogether, but there resulted a noticeable lack of tone, and they with their safaris were never afterwards admitted to the best circles.

Every well-appointed safari includes a beautiful model in *chic* hunting costume. If this is not available a Jungle Beauty in sarong—which can be procured very reasonably in

any sporting-goods store—will do. This is known as Sex Appeal. No self-respecting lion can possibly resist the subtle flattery and publicity value of being seen in rotogravure sections with a lovely, well-formed young lady standing on his head.

Never omit packages of the popular cigarettes. This is for pictures showing the steady nerves of the hunter during crises, such as, for example, being arrested for hunting without a license.

It is a clever idea also to shoot the lion before mounting his head, and not after.

Last but not least, please remember that it is considered bad form and unsporting to bargain excessively with the lion for his services in the expedition. Try if possible to satisfy him at his own terms. Even if this entails considerable expense, keep in mind that the lion is absolutely *de rigueur*. Some hunters, in order to cut down expenses, have attempted to dispense with the lion altogether, but there resulted a noticeable lack of tone, and they with their safaris were never afterwards admitted to the best circles.

Every well-appointed safari includes a beautiful model in *chic* hunting costume. If this is not available a Jungle Beauty in sarong—which can be procured very reasonably in

any sporting-goods store—will do. This is known as Sex Appeal. No self-respecting lion can possibly resist the subtle flattery and publicity value of being seen in rotogravure sections with a lovely, well-formed young lady standing on his head.

Never omit packages of the popular cigarettes. This is for pictures showing the steady nerves of the hunter during crises, such as, for example, being arrested for hunting without a license.

It is a clever idea also to shoot the lion before mounting his head, and not after.



Ready for a party
NIGHT OR DAY

ENTERTAINING PRIVILEGES

The young people of today love impromptu gatherings and the "come on back to our place" invitation—any hour of the day or night. And with all their informality they have a lot of good, wholesome fun.

What a sense of satisfaction it is to know that in your home there is a room always ready for the "young ones" in

your family to bring their friends to without feeling that by doing so they will disturb you.

Gas home-heating makes such a room possible because the old furnace room and coal bin can become so easily and inexpensively a recreation or games room.

Modern gas furnaces take but little space, are economical in operation and are entirely automatic. The reduction in gas rates for home-heating and, if you wish it, the easy payment plan

to buy the heating unit, make gas a most attractive fuel for heating your home. It may be used with hot water, warm air, or steam systems. Installation can be made without discomfort or inconvenience.

Gas may be used in your present furnace if it is in good condition—a conversion burner is all you need. So enquire at the Home Heating Exhibit, 55 Adelaide St. E., and learn how gas can give you carefree heating for the rest of this winter and for many years ahead.

An advertisement in the interests of more enjoyable living
prepared by THE CONSUMERS' GAS COMPANY

Home Heating Exhibit
55 Adelaide St. E.
Ad. 9221